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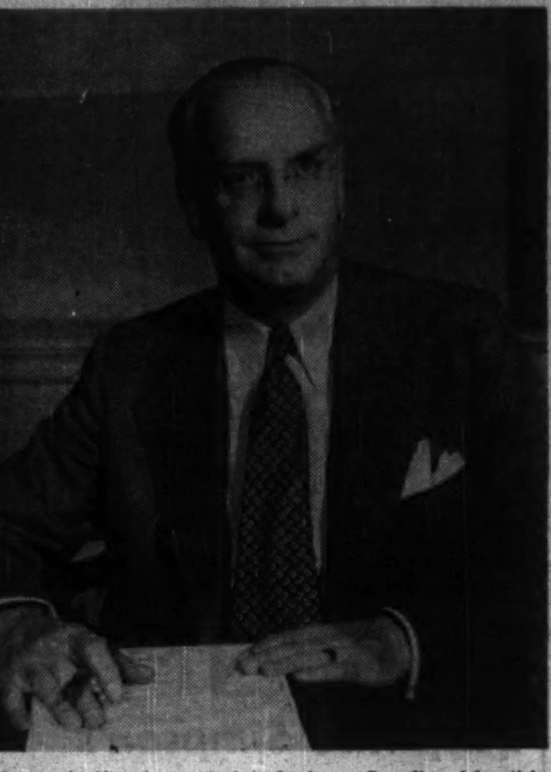
Heads Ad Research



Offering a significant new tool to business, Canadian Advertising Research Foundation was incorporated under federal law last week to provide advertising media research with an independent "stamp of approval" from the buyers of advertising. Under the chairmanship of H. H. Rimmer, advertising manager of Canadian General Electric Co., the Foundation was born out of a joint committee of advertisers and advertising agency men who have been pioneering validated research in Canada for the past 16 months. Soon to issue a history-making study of the audience of 11 of Canada's leading consumer magazines (seven English and four French), the group has already published a survey of car cards in Winnipeg, and will shortly begin one in Montreal.

THE NATION'S BUSINESS

The Basic Problem Is Still With Us

A lot of nice things were said in the statement which came from the meeting of the ABC nations at Washington.

Many fine promises that this and that problem would be tackled have been made.

But in the midst of the cheering that this is a good start, that the spirit of amity between the three nations was admirable, there is yet little cause for more than the mildest form of jubilation.

Most of the items in the 10-point "recovery plan" seem to be mere nibbles around the fringe of the fundamental problem. The total effect of all the 10 points, if they were all well and vigorously implemented could be impressive. But some of them would take years to work out. For the moment, it would appear that the best that can be said for quite a few of them is that they represent a meeting of minds on basic objectives and this may help to get public support for them when they meet the testing fire of the U. S. Congress and the British bureaucracy.

Sir Stafford Cripps may find his optimistic interpretation of the Washington results helpful for election purposes, but it will be lamentable indeed if the impression gains ground that this trade-currency problem is anywhere near solution.

Unless some understandings have been reached which have not been revealed, and unless we are to bank on miracles happening, we can't find ground for belief that anything has been done to give any hope that Britain will be able to go it alone after the ECA program ends in 1952. And that is the major crisis.

Great as has been the exhortation to the Britisher to export to the dollar areas he has been increasing his sales even more in the sterling area because that was where prices pulled his goods. Nothing emerges from Washington to suggest that any progress has been made on solving that fundamental British dilemma.

There are some things Britain can do to get her prices into line, to increase productivity, perhaps to ease the burdens of carrying her Empire and its sterling balances.

But just as surely as the fate of the free world depends on the military policies and strength of the United States, so does the economic fate of the Atlantic community depend on the United States.

Can we actually expect Congress to do anything worth while about hauling down tariffs, cleaning up its opprobrious customs practices? Can we actually expect a vast outpouring of U S. investment to countries which are in varying degree socialist? Can we actually expect that while British productivity and technology is advancing, American productivity is going to be standing still?

The prospect is not yet very good because the United States in the 20th century is not as wise as Britain was in the 19th.

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Keep This Profession Clean

In the Canadian teaching profession, and particularly in that segment that deals with higher education, there are probably not more than a handful of out-and-out Communists. But like a trace of deadly poison in our food, there is nothing to be complacent about in such a situation.

In the recent tie-up of Canadian shipping, we have an example of the power that can be exerted by a tiny but well organized and directed minority. In a typical cross section of the Canadian Seamen's Union only 53 out of 2,000 members were found to have any sympathy with Communism and only two or three of these could be classed as definite adherents to the party which has its headquarters and its bosses in Moscow. Yet the leadership of CSU was completely Communist controlled and in the recent strike it was able to tie-up Canadian shipping not only in this country but throughout the world.

Whether there is a legitimate place for a Communist party worker in any democracy is exceedingly doubtful. But there should be no doubt whatever in our teaching professions if for no other reason than the simple fact that a Communist is mentally and morally unfit to make a good teacher.

To the Communists there is no such thing as presenting facts. To the Communist education and party propaganda are identical terms.

Orders as to how that propaganda work is to be done come in official instructions to party members among the teaching profession. These orders read in part:

"Communist teachers must take advantage of their positions, without exposing themselves, to give their students to the best of their ability working-class education . . . Only when teachers have completely mastered Marxism-Leninism will they be able skilfully to inject it into their teaching at the least risk of exposure and at the same time conduct struggles around the schools in a truly Bolshevik manner."

To those who may rebel at carrying out this job, the Communist Party doesn't hesitate to use its own peculiar discipline.

In an American publication last week, Sidney Hook, head of the Department of Philosophy at New York University says this:

> "A sober evaluation of the evidence will reveal that in theory and practice members of the Communist Party are committed to grave and systematic violations of the educational equivalent of the Hippocratic oath of the medical profession."

Because Communist teachers use their jobs to do something for which they are not employed and which violates every tradition of their profession, there should be no squeamishness whatever about getting rid of them. They are the real offenders against the much-talked-of "academic freedom."

Big Aircraft Deal In Wind for Can. Car

Aviation Circles Report Working Arrangement Being Sought to Manufacture Douglas Super DC-3's in Canada—Ottawa Talks Slated

MONTREAL (Staff)—Aviation circles are abuzz here this week over the possibility of an important development in the Canadian aircraft industry, The Financial Post understands.

It's said to be a working arrangement between Douglas Aircraft Co. Inc. and Canadian Car & Foundry Co. for the manufacture in Canada of the Super DC-3's. These planes are the Douglas answer to the Martin 202 and Convair and represent an improved and modernized version of the celebrated DC-3 aircraft.

Donald Douglas, president of Douglas Aircraft, is scheduled to arrive in Montreal with a super DC-3 next Monday. It is understood Mr. Douglas will be present along with Canadian Car President V. M. Drury at a luncheon to be tendered by Canadian Car & Foundry Co. Mr. Douglas and officials of the Canadian company will, it is said, proceed to Ottawa presumably for talks with Government and RCAF officials.

Up to the present, Canadair Ltd., Montreal aircraft manufacturer, has done a large volume of business in the reconversion of DC-3 planes and production and sale of spare parts. Earlier this year, however, the Douglas Aircraft Co. instituted two actions against Canadair seeking recovery of amounts totaling more than $1.4 millions for alleged violation of agreements by Canadair. It is understood that these actions have not yet been settled.

Big question mark in the deal is whether TCA, CPA, other airlines and the RCAF are prepared to have their present DC-3 planes converted to Super version. TCA has 27 DC-3's, CPA almost as many and there are a number of other smaller airlines operating these planes in Canada as well as the RCAF. If a Canadian company did take over the manufacture of the super DC-3 there would likely be foreign business as well, it is said.

It has been reported that the cost of converting a DC-3 to the Super version runs about $250,000. For this, DC-3 owners get greater speed (from 160 up to 230 M.P.H.), greater seating capacity (29), swept back wing, other improvements and refinements.

From Washington

Something For Posterity, What of Problems Today?

WASHINGTON (Staff) — This has been the conference that reached agreement because it would not talk about the disagreeable.

No one mentioned the unpleasant word "devaluation" in the official dollar talks which finished here Monday. As a result, the top Canada-U.K.-U.S. brains got along splendidly. The harmony was both genuine and impressive. The achievement was:

First, some useful concessions were made within the limits of existing U. S. Congressional authority, which are aimed to help re-establish confidence in the pound.

Second, something substantial was done for posterity. The ABC nations covenanted that world economic problems can't be isolated from politics or peace.

Avoid Devaluation Question

What about the pound sterling? This conference ducked entirely the issue of devaluation.

It was ducked because neither John Snyder nor Douglas Abbott wanted to take responsibility for raising the issue, or for telling the British just how and when to put their economic house in order.

But the devaluation issue was brought up this week at the annual meeting of the International Monetary Fund. The British want the IMF to lift its 1948 ban which excludes ECA countries from access to the fund's cashbox. If this ban were removed, there'd be $325 millions theoretically available for strengthening U. K. dollar reserves during each of the next three years.

But there is reputedly wide disagreement between Sir Stafford Cripps and other Fund directors. The majority view, as expressed in the Fund's annual report, is that Europe's balance of payment troubles won't be solved without devaluation. Britain isn't specifically mentioned, but it seems clear where the IMF is pointing.

This view runs head-on into continued British insistence against devaluation. And if the fund won't open its cashbox to the U. K. without devaluation, then it is quite possible the British may not even ask removal of the ban on funds to ECA countries.

In that case (and we'll probably know the answer to this one

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PRICES

One question bothering U. S. businessmen at present is whether the current moderate firming in the price averages marks the end of the postwar price deflation or whether it is merely a temporary interruption. Resumption of a sustained inflationary price increase is regarded as unlikely, however.

Although Canadians did not share in the general price slide over the border, they are not likely to be left out when it comes to price hikes—particularly if present prospects of further tightening of import controls are realized.

Woodpulp price rise is anticipated shortly in U. S. following recent increases in mill prices on kraft wrapping paper, paper bags, paperboard. No increases in groundwood printing, book and fine papers as yet but some pick-up in demand is noted.

Zinc price confusion was cleared up with 10c lb. being generally quoted.

Copper and lead buying remained in good volume at unchanged prices of 17⅝c and 15⅛c respectively. Copper demand and supply are said to be substantially in balance.

Hardware prices advanced 8.5% in Canada between July, 1948 and July, 1949, reports Hardware and Metal (Maclean-Hunter). Advance in previous year was 14% and in year ended July, 1947 was 16.4%. Some reductions occurred in finished products in recent months due to the peak in nonferrous metal prices. Declines seen in brass sheets, sash cord, ingot copper, zinc, aluminum, white lead in oil, linseed oil, turpentine. Iron and steel lines have shown little tendency to decline as yet.

Roasted coffee went up 1c lb. in Canada last week and is expected to go further. It is still behind the green market price rise—basic grade beans, which were close to 26c lb. in May are now at record high of 31c compared with about 7c prewar.

Cotton futures tumbled in U. S. with higher than expected Government crop estimate. Sept. 1 estimate was 138,000 bales higher than Aug. 1 and the October, 1949 contract closed at 2978c lb., only 35 points above the Government loan level. Price of spot cotton dropped 30 points to 2940c at Galveston. Print cloth, sheetings, however, showed opposite trend as demand picked up.

How Stockpile On Tin, Rubber May Work Here

Stockpiling of rubber and tin as proposed by Canada to help the U. K. overcome her dollar shortage will represent the first concerted stockpiling undertaken by this country since World War II.

Earlier this year, a decision was made to stockpile strategic materials which aren't produced here in sufficient quantities to meet domestic consumption. But aside from one or two items, very little actual stockpiling has been done to date. It is quite conceivable that when things are really gone into, there may be a field beyond just rubber and tin in which the Dominion can provide a market for sterling area strategic materials.

From a "dollar used" standpoint, natural rubber appears likely to be a subject for heavier buying than tin. But tin is perhaps an even more critical wartime substance than rubber, due to synthetic developments.

Canadian stocks of natural rubber at June 30, 1949, were only 5,891 tons, the lowest this year, and only a little over a month's supply at the current rate of consumption of about 93 million lbs. per annum.

First half imports of natural rubber were 44,996,884 lbs. worth $7,558,639 which hardly approximated consumption. On the basis of these figures, laying in of a three-year stockpile might cost Canada a little over $45 millions at present prices. But it is doubtful if a decision has yet been reached on the amount to be purchased.

Malaya and Ceylon, both in the sterling area, are this country's main sources of supply for natural rubber.

Canadian imports of tin in the form of blocks, pigs and bars amounted to 4,604,800 lbs. worth $4,737,682 in the first half of 1949. Imports were only moderately higher than in preceding years. Imports probably only met consumption demands. On the basis of first half figures, a three-year stockpile of tin would cost $28.5 millions.

New Lube Unit For B. A. Oil Co.

B. A. Oil Co. is adding a $500,000 unit to its lubricating oil plant at Clarkson, Ont., The Financial Post is informed. The new unit will allow greater flexibility in manufacture of various grades of oil for industrial and automobile use and will permit the company to offer new oil grades it has not heretofore made.

Engineering plans have been completed and the new plant is expected to go into operation about April.

Gains and Losses In Canadian Trade

Here's Analysis of Results of The Washington Conference, What it May Mean to Our Exports To U. K. and Our Import Control Program

By KENNETH R. WILSON

WASHINGTON (Staff)—What are the gains and losses as Canada weighs the results of the Washington conference?

Here is a tentative balance sheet:

1. British and sterling area purchases in Canada during the next nine months will probably be cut back by something better than 10%. Details will be worked out in Ottawa with U. K. officials during the next two weeks.

This percentage is smaller than the threatened over-all cutback of 25% chiefly because of heavy wheat purchasing in 1949-50. Individual items will suffer considerably more. Had the Washington talks broken down entirely, the situation might have been considerably more critical for Canada. And this situation may change if there are further critical drains on the U. K. gold and dollar reserves.

Right now, the effect on individual Canadian exports cannot be estimated. Timber, tobacco and paper products are vulnerable, but percentage cut of U. K. buying in Canada may depend to some extent on our prices and the supplies available from nondollar countries.

Cripps' confidence in his reserve position as a result of the talks is not shared here. Unless there is unexpected retrenchment in U. K. and substantial short-term funds almost immediately via the World Bank, the IMF and the Export-Import Bank, it is not believed that U. K. can avoid further crises. Devaluation may have been postponed but not averted, is the prevailing Washington view.

2. It is considered unlikely that Britain will renew her 1949 contracts for Canadian eggs, bacon or cheese.

That doesn't mean that buying in Canada will stop in any or all these items. But Canada must expect substantially reduced U. K. markets for 1950.

3. All offshore buying in Canada with ECA funds will in future be on a competitive basis.

That means Canadian producers of base metals, lumber, etc., must meet competitive U. S. and world prices on every order placed that is financed with ECA money. ECA will also keep tab on money whish ECA countries pay for Canadian products when using their "free" dollars.

(This new ruling by ECA will apply to offshore suppliers as well as Canada, and to orders placed in the U. S. and paid for with ECA funds, in so far as U. S. suppliers are not protected by special legislation.)

4. The U. S. decision to permit $175 millions of Canadian wheat to be bought with ECA funds ensures that Britain will now continue to honor her Canadian contract.

That's assuming the decision isn't vetoed by Congress. It is doubted in Washington that Britain would have been able to maintain this contract without this assistance.

Apart from giving Canada this assurance, the concession chiefly benefits U. K., since it will probably give them a dollar surplus in their Canadian accounts. (That means that ECA purchasing in Canada will more than offset the expected deficit in Britain's current accounts with this country.)

5. Adverse effects on Canada of the new wheat deal are that we may now find some or most of our sterling markets for wheat closed. Flour sales to other sterling markets may also be affected.

To buy offshore wheat in Canada with ECA dollars the British had to agree to buy $30 millions of U. S. wheat. Unless the British use this for stockpiling, they may try to offset this expenditure by requiring other sterling countries to switch some or all of their wheat and flour purchases to soft currency suppliers.

6. No change in Canada's dollar-saving import controls are expected at the moment because of the Washington conference. It depends on our own dollar and gold reserves in the next few months.

Business activity in United

(Continued on page 3, col. 1)

Inside News

Pulp, Paper Outlook

What's in sight for the pulp and paper business? Newsprint has broken production records, but other fields are watching caution signals. Company reviews, valuable reference tables. Pulp and Paper Report (pp. 25 to 52).

U. S. Customs Blockade

Why did red tape in U. S. customs administration rank so high on agenda in Washington talks? What does it mean to Canada? Does U. S. mean business in its promise to overhaul customs administration? (p. 13).

Builders By Mail

Get your wallboard by wire, "prefabs" and plumbing by postcard. Halliday's, an old company, has new ideas, aggressive men who've pushed these past the $3 million mark in 1949 gross sales. A special Post report (p. 14).

Reds' Future in Unions

Will Communists continue to bore into Canada's major trade unions? Or are they getting the signal to cut loose and form their own group? A timely analysis of the union setup. Labor Roundup (p. 7).

Canadian For Gov.-Gen ?

Should a Canadian be Canada's next Governor-General? There's an even division of opinion, with qualifications. The Question (p. 11).

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Fund to Sidestep S. Africa Plea to Raise Gold Price?

WASHINGTON (Staff) — It is believed here that the IMF will follow U. S. Treasury Secretary Snyder's lead and turn a cold shoulder to South Africa's impassioned plea for reconsideration of the higher price for gold.

It is unlikely there will be a definite turndown this week. The matter will probably be referred the executive, but it is not expected that anything will be done.

It is also thought most unlikely that there will be any public action by the Fund this week respecting currency devaluation. This matter is also likely to be taken under advisement.

Whether this negative approach to two highly controversial subjects will be the turning of the ways for the IMF is freely discussed here. Some people think the Fund can't much longer operate effectively under the handicaps imposed by maintenance of artificial exchange rates in a large sector of its membership. The Fund spoke forcibly on this matter in its annual report, but whether action will follow is another matter.

Canada will almost certainly take no part in the contentious gold price debate. We're cheering the South Africans on—but not running the risk of getting in wrong with our one important gold customer, the United States.

Privately, we argue that if the South African scheme were to be approved by the Fund, the so-called premium on gold would probably disappear overnight. That's based on the belief that the free market for gold is very thin and would dry up very quickly if it were offered any considerable quantity of the precious metal.

Incidentally, there's an important but little-known argument advanced here in Washington for not changing the gold price. It's this: that the entire U. S. aid

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Silver Output Expanding At World's Fastest Here

Canada's silver production is being expanded more rapidly than that of any other country in the world.

Because plans are being implemented to further increase output, the Dominion is expected to extend its silver bullion recovery to nearly half that of the first place producer, Mexico, which turned out 45,800,000 oz. of silver in 1948.

This country is already well established in third place in the world's "silver circle." Only a U. S. subsidy of nearly 30 cents an ounce on U. S. domestic output probably stands between us and the second place position.

Growing production figures here are all the more impressive since the Western Hemisphere (source of 80% of the world's silver) showed an over-all decline in output in 1948, even with Canada's totals included.

Canadian monthly production totals show a sharp upward spurt in recent months, which follows an upward trend which has persisted for some time:

Primary Silver Output
(In Fine Ounces)

	1949	1948	1947
Jan.	975,991	1,059,502	833,473
Feb.	963,883	1,145,020	973,183
Mar.	1,298,189	1,215,564	1,137,858
Apr.	1,245,708	1,204,934	924,469
May	1,498,900	1,186,090	1,010,138
June	2,197,879	1,320,440	1,178,225
July		1,970,853	1,116,915
Aug.		1,678,115	1,153,447
Sept.		1,369,157	1,003,552
Oct.		1,527,350	1,136,959
Nov.		1,235,782	1,035,684
Dec.		1,206,165	1,000,115
		16,109,982	12,504,018

As silver output includes silver in ores and concentrates exported, production figures tend to reach climaxes in summer shipping season. But output for June was more than 50% higher than the same month in 1948; the upswing is quite pronounced even allowing for this situation.

Where is all the extra silver production coming from? What are the reasons for thinking it will continue upward?

Some of the increase was attributable in 1948 to Consolidated Mining & Smelting Co. (a 700,000 oz. gain). But most of the increase can be traced to new producers. There is also a growing byproduct output of silver from gold mining.

Torbrit Silver Mines, which turned over its mill in February, has been recently handling 390 tons daily with a good chance that over 400 tons will be handled. As grade has been better than 20 oz., an annual output of 2.5 million oz. is expected from this source alone.

United Keno Hill, which lost its mill by fire early in June ex-

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New Horizons for Alberta Oil

Imperial's Pipeline Drive is Boon to Canada

Individual Canadian enterprise had a big, bright new feather to wear in its cap this week.

It took the form of the important announcement that by early 1951 oil from Alberta should be flowing through a 1,150-mile pipe to the Great Lakes for users in Eastern Canada and, probably, the United States.

It brought a 20-year Canadian dream of at least partial independence in oil a big step closer to reality. By 1951 Alberta could be supplying through the pipeline, at least one-third of current Canadian consumption of crude. The line will cost an average of $74,000 a mile.

In a world strapped for U. S. dollars, this multi-million dollar venture by private capital will probably save Canada $30 millions a year now spent to import American crude. Current consumption is about 300,000 barrels a day. About 88% has to be imported.

For Alberta in particular and the west in general, oil has opened up brand new horizons. The pipeline will convert hopes into realities. To meet Eastern demands, present output will be doubled to about 100,000 barrels a day. For Albertans, that means another big cash "crop."

Imperial Oil spent over $20 millions before finding the rich Alberta field. Now it proposes the expenditure of another $90 millions for the pipeline to bring the oil they found to where it's wanted most.

From start to finish, Canada's now spectacular oil development has been privately financed. Not one cent of the taxpayer's money was risked.

The pipeline will be financed this way:

(1.) $72 millions in 20 year 3½% bonds which will be offered privately to insurance companies and other institutional investors here and in the U. S. Of this, $37 millions will be payable in Canadian currency and $35 millions in U. S.

(2.) $17 millions of 21 year 4% convertible sinking fund debentures.

(3.) 20,012 of its four million authorized common shares, par $50. An additional 340,000 shares will be reserved for conversion of debentures, at the rate of 20 shares for each $1,000 debentures.

Interprovincial will offer $7.5 millions convertible debentures to the general public through a large group of Canadian investment dealers headed by Wood, Gundy & Co. and McLeod, Young, Weir & Co. while the balance along with 10,000 common will be sold privately. Of the 20,012 common shares to be outstanding, Imperial Oil now owns 10,000 and 12 are directors' qualifying shares. Imperial Oil is expected to take from $5 to $6 millions of the 4% convertible debentures.

The Post also learns that Im-

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Plans Are Delayed By Trans-Northern

Trans-Northern Pipe Line Co. plans for a Montreal-Toronto oil products line now hang fire as a result of the Interprovincial deal to pipe crude from Alberta to the Lakehead, The Post understands.

It's reported that one of the three partners in the project—B. A. Oil, McColl-Frontenac, and Shell Oil—is considering withdrawing and that if the company concerned decides to drop out the remaining two partners will re-study the project on a two-company participation basis.

The Trans-Northern line was planned to supply the Toronto area with refined petroleum products from the three companies' expanded and modernized Montreal plants.

Pace of Business

Money supply showed seasonal decline in July at $4,173 millions, off 0.3% from $4,187 millions in June, but 4.3% above July, 1948 ($4,002 millions).

Department store sales in week ended Sept. 3 were 7% above same 1948 week. All provinces gained except Alberta (off 3%) and British Columbia (off 4%). Sales in month of August were 5% ahead of 1948 with advances recorded for all provinces.

Department store inventories at beginning of July were 14.3% above previous year at $180.8 millions ($158.2 millions). Substantial increases shown in apparel and shoes, piece goods, household durables; declines in food, drugs and stationery departments.

Residential building at high level in first half of year. Dwelling units completed were 30% higher at 39,726 against 30,528, while new starts totaled 40,199 units compared with 39,768 in 1948. Units under construction at June 30 amounted to 56,787 against 56,456 at beginning of year.

New motor vehicle sales totaled 27,729 in July at retail value of $56,572,753 compared with 16,164 units for $33,000,923 a year ago. Seven months total was 160,509 units for $336,706,484, up 30% in number and 37% in value.

Carloadings in week ended Sept. 3 amounted to 84,046 cars against 86,179 previous week and 87,274 a year ago.

Gold production in June: 344,125 fine oz., up 3.5% from 332,442 oz. in May and 18.6% from 290,049 oz. a year ago. Six months production up 16.4% at 1,963,565 oz.

Cattle sales in August were 152,038, down 12.5% from 173,819 sold in Aug. 1948. Eight months total was off 1.2% at 997,489.

Hog sales up 7.4% in August over year ago at 230,118 against 214,307. Eight months total 23.7% lower at 2,521,362.

Margarine production in first eight months of 1949 totaled 44,875,000 lbs. August output highest since May at 7,038,000 lbs.; July output 5,352,000 lbs.

Butter production in August: 34,312,000 lbs., decrease of 6.8% from 36,825,000 in Aug. 1948. Eight months total up 15.6% at 75,448,000 lbs.

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POSITIONS WANTED

COLLEGE GRADUATE under thirty years of age with five years Federal Government experience in executive positions. Interested in joining a commercial organization in an administrative or sales capacity. Has background valuable to Canadian business. Box 259, The Financial Post, Toronto 2, Ont.

YOUNG LAWYER, several years experience interested in position with company. Not necessarily legal appointment. Box 255, The Financial Post, Toronto.

BOOKKEEPER-SECRETARY. Fully experienced in handling complete set of books, also shorthand and typing, now employed in responsible position in Toronto wishes to locate in some other Canadian city. Good salary required. Box 254, The Financial Post, Toronto.

REAL ESTATE

FOR SALE one of the best business locations in the City of Owen Sound in the centre of the business section on the main street, frontage 52' 0", depth 208' 6" three story brick building steam heated and sprinkler equipped, access from rear to good street suitable for Automobile or Furniture show room and offices or any retail or wholesale business, photos and details on request, Otto Johann and Son, Realtors, Owen Sound, Ont.

AGENCIES WANTED

MANUFACTURERS AGENT covering Province of Quebec industrial plants wishes additional lines of top quality mill supplies or mechanical equipment. Please write Room 405, Canada Cement Building, Montreal.

FOR WESTERN CANADA. Office equipment and kindred lines for direct sale to all types of businesses. Box 251, The Financial Post, Toronto.

MANUFACTURERS AGENT covering Central and Western Ontario, wishes additional lines, mechanical equipment. P.O. Box 276, Hamilton.

WANTED TO PURCHASE

CASH BIDS made for quantities of mining stocks active or otherwise. Box 242, The Financial Post, Toronto.

BUSINESS OPPORTUNITIES

OPPORTUNITY OFFERED to the right man to join mining equipment company, with sole distributorship for Canada of outstanding product, able to invest ten to fifteen thousand dollars or more in return for 20% interest and up in Company's shares. Applicant must have engineering, mining knowledge, or high educational degree, with clean cut selling ability. Age 25-50. Give full particulars in letter.—Box 250, The Financial Post, Toronto.

30,000 Teachers Wanted— How Can We Get Them?

By WALLACE GILLESPIE

Canada needs twice the number of teachers now being graduated if future Canadians are to receive an adequate education. And to get them Canada must pay more for teachers, must give them greater recognition as a profession.

That's the essence of recommendations put before the Canadian Education Association's 26th convention in Fredericton, N.B., this week.

A year ago a committee of educators who had taken an exhaustive look at our $260-millions-a-year education system reported:

"It is unreasonable to assume that more than a minority of Canadian children are receiving or can receive suitable education under existing conditions. Teaching as a profession is relatively unattractive as a life's work. It is not competing on equal terms with other professions . . . Positive action on the part of the Canadian public is imperative if the schools are to function effectively."

Still unanswered was the vital question: "What's to be done about all this?"

Means by which Canada's children can be saved from substandard education — at a time when our educational facilities must wrestle with the war-born population bulge — are now advanced in a new 137-page report, presented by a committee headed by Alberta's Dr. M. E. LaZerte.

It is this second document, with recommendations, that's being studied this week at Fredericton.

The committee's general approach to the problem can be summarized:

1. Well over 60,000 new teachers will be required for Canada's schools between the term now getting under way and the 1954-55 term. At present training rates, we're producing half that number.

2. If a minimum of two years' academic and professional training beyond senior matriculation were adopted, approximately 80,000 teachers in Canada would require additional in-service training.

How can we fill the bill on a purely quantitative basis, let alone get the quality needed to reach modern educational objectives?

Contends the committee: The career holds too little promise of satisfaction.

Better, it argues, to work toward a new concept of teaching as a career. It involves more than salary. It involves pride in professional standards, rewards for initiative, more general contact with the business world and with other professions.

Here's the Program

If the committee's concept of teacher education and teacher selection were implemented, here's the situation it would bring into being:

All teachers would begin service with education extending at least two years beyond high school graduation.

All would have had at least a year of full-time attendance at a university: some would proceed to a bachelor's degree before service; others get this degree through summer school.

The year, or preferably two years, of teacher-training would be of a broad character, with less time given to lectures, more to practice teaching and other experience of value.

In any province, full professional status would be marked by only one professional certificate (some 50 varieties are current today), and a bachelor's degree would be one requirement for this certificate. Every capable and alert teacher would be encouraged while in service to secure specialist background in various fields and the higher prestige of a graduate degree.

Present practice of giving separate diplomas or other recognition for more advanced work would be abandoned. Such work would carry university credit (such as for the master's degree) and advanced professional degrees would be recognized as the mark of outstanding professional ability, and not merely academic attainment.

What standard of living should such a teacher receive? The committee recommends:

1. That provinces introduce minimum salary scales guaranteeing teachers with training equivalent to university graduation pay comparable with that of other similarly-trained professional groups in salaried positions.

2. At least 10 yearly increments of $120, and, recognition of previous teaching experience.

3. Similar salary scales for teachers with training not equivalent to that of university graduation, guaranteeing pay proportionate to the degree to which their training equals that required for university graduation.

4. Pay for teachers as a group bear an equally satisfactory relation to other workers in the province or locality in which they teach.

5. No one with administrative or supervisory duties to get less than 5% above those over whom he has to exercise direction.

6. A desirable pension basis be established as one that would give the teacher 2% of the highest average salary for a consecutive period of 10 years multiplied by the number of years of service up to 35.

ADVERTISING

Account Appointments, Plans And News of Personnel in the Canadian Advertising World

What's said to be the largest export advertising campaign from Canada is now under way for third Canadian International Trade Fair (Toronto May 29 to June 9, 1950).

Insertions are appearing now in Hong Kong and the Far East, will begin in Canadian and U. S. media in October. Commencement dates in other countries will vary with local conditions.

Walsh International Advertising Co., which handled the account estimates total circulation involved in the campaign will reach 50 million.

Acting on the advice of associated agencies in other countries, the trend will be away from mass readership—and into trade and technical papers. Tests are to be made with television, radio and film shorts.

* * *

F. H. Hayhurst Co. reports that, with institutional Aylmer advertising regularly in full color in magazines, tomato soup campaign is under way for Canadian Canners Ltd., with 100- and 200-line ads in leading dailies. Fall campaign also includes cartoon treatment of Aylmer asparagus soup.

* * *

O'Brien Advertising Ltd. reports Standard of B.C. advertising in newspapers and billboards throughout provinces using cartoon-type line drawings, with ample white space; aim at product identification.

* * *

E. W. Reynold Ltd. (Montreal) appointed to handle advertising for C. J. Grenier & Co., Montreal, 70-year-old foundation garments firm.

* * *

Erwin, Wasey of Canada Ltd. (Toronto) says expanded program for Musterole Co. of Canada, Ste. Therese, Que., will run from end of October until the end of March, 1950. High frequency small insertions, in dailies, in week-end newspapers, and farm publications to feature "Child's Mild," "Regular," and "Extra Strong." Also spots on 15 radio stations.

* * *

James Fisher Co. now directs advertising and promotional plans of Martin Bros., Toronto, heating and air-conditioning specialists. Campaign to begin immediately.

* * *

E. W. Reynolds Ltd. (Toronto) places campaign for Chartered Trust Co., Toronto, appointed rental agent for 26-story Bank of Nova Scotia building under construction in downtown Toronto. Media include financial papers, national business magazine, half-page space in Toronto newspapers, slightly smaller space in Montreal. Follow-up ads to appear regularly in business papers and dailies, as well as selected American and British business papers.

* * *

Harold F. Stanfield Ltd. (Montreal) says 600 and 300-line advertising campaign is paving national distribution for Breath-O-Lator, mouth odor neutralizer perfected by Bing Crosby Research Foundation and sold and distributed in Canada by L. M. Parker Co. Tried out in Montreal in a test campaign, ads are now running in Ottawa, Toronto, Winnipeg, Edmonton, and Calgary. Other markets will follow as distribution expands.

* * *

Walsh International Advertising Co. appointed to handle export advertising account of Canada Wire and Cable Co. Plans are for 1950 campaign in Canadian and U. S. export publications.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Bausch & Lomb Optical Co. (Rochester, N.Y.) — J. Alexander Lucas, manager of new eyeglass lens plant, Midland, Ont.

Canada Govt. (Ottawa) — Ernest Lee, national director of physical fitness (Health & Welfare dept.).

Canada Steamship Lines Ltd. (Montreal) — Capt. Howard R. Baxter, marine superintendent.

Canadian Legion (Ottawa) — T. D. Anderson, general secretary.

Canadian Pacific Steamships (Montreal) — George E. Costello (Vancouver), general passenger agent at Hong Kong; Edward Hospes (Hong Kong), general passenger agent at Vancouver.

Canadian Red Cross Society—Dr. J. S. Cull, asst. national director (administration) of blood transfusion service.

Co-operative Commonwealth Federation (Ottawa)—A. M. Nicholson, full-time national treasurer.

Gooderham & Worts Ltd. (Toronto)—Lionel Marcotte, assistant manager for Canada of British and Foreign division.

Electric Machinery Manufacturing Co. (Minneapolis) — F. D. Bolton (Vancouver), British Columbia sales representative.

International Nickel Co. of Canada (New York) — Sir Otto E. Niemeyer, a director.

Interprovincial Pipe Line Co. (Toronto) — Lorne F. Kahle (president, Interstate Oil Pipe Line Co.), a director and executive vice-president in charge Edmonton to Regina pipe line construction and operation.

International Committee of British & Canadian Businessmen — C. Gordon Cockshutt, chairman Canadian section; John McLean, chairman British section (Association of British Chambers of Commerce and Canadian Chamber of Commerce).

Journal Publishing Co. (Ottawa)—E. Norman Smith, president.

MacDonald Bros. Aircraft Ltd. (Winnipeg) — Edwin MacDonald, president.

MacLaren Advertising Co. (Toronto) — Ernest G. L. Weaver, an account executive, at Montreal.

Maclean-Hunter Publishing Co. Ltd. (Toronto) — Thomas H. Reid, commercial printing representative in Montreal area.

Manitoba Judiciary — Cecil B. Philp (Winnipeg), county court, eastern judicial district.

Manitoba Sugar Co. (Winnipeg)—Baron Charles Neuman, G. E. Neuman (New York), R. Abras, directors; Norman L. Leach, Herbert Tooley, vice-presidents.

Newfoundland Govt. (St. John's)—P. J. Murray, director of surveys and planning, agricultural division Dept of Natural Resources; A. C.

National Pressure Cooker Co. (Canada)—W. C. McKinnon (vice-president and director of sales), a director.

Pacific Mills Ltd. — Robley A. Butler, technical control supervisor at Ocean Falls division.

Reliance Chemicals Ltd.—H. Gordon Young, an Ontario senior sales executive, at Toronto.

Royal Bank of Canada (Montreal) C. B. Clark, supervisor of banking arrangements.

Searle Grain Co. (Winnipeg) — Morton M. Miller, secretary.

Senate of Canada (Ottawa) — Thomas Reid (New Westminster, B.C.), J. Wesley Stambaugh (Bruce, Alta.), Robert W. Gladstone (Guelph, Ont.), members.

Steel Co. of Canada Ltd. (Hamilton)—Roy L. Flegg, sales manager, bolt products, Eastern division, at Montreal; Lyle H. Doering, sales manager, wire and screw products, Eastern division, at Montreal.

U. S. Gov't. (Washington) — Sydney A. Velovsky, consul general in Newfoundland, at St. John's.

E. H. Walsh & Co. (Toronto) — P. B. McDiarmid, a director and general manager.

Obituaries

Godfrey H. Bartlett, 53, Montreal, vice-president and general manager, Barrett & Co.

Harry W. Dickinson, 68, St. John's Nfld., commission broker.

Charles L. Friedman, 88, Montreal, founder and retired former senior partner, Friedman Bros., wholesale clothing.

J. Arthur Labouliere, 53, Montreal, member Montreal Stock Exchange, and of Jones, Heward & Co.

William Gordon Finlayson, 63, Montreal, retired former partner Finlayson & Gardiner, liquidators, accountants and trustees.

Horace Joseph Gagne, K.C., 70, Montreal, a former president Quebec Forest & Streams Commission.

George Percival Lamb, 44, Montreal, general personnel supervisor, Shawinigan Water & Power Co.

J. Albert McLean, 87, Aberfoyle, Ont., founder of McLean's Cocoa Mills Ltd.

John Riddell, 92, Hamilton, Ont., founder of John E. Riddell & Son Ltd., roofing contractor.

Dr. Frederick Smith, 46, Montreal, deal of medical faculty, McGill University.

Garson M. Soloway, 35, Toronto, vice-president Maple Leaf Plastic Co., general manager B & F theatre chain.

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WITH COMPLETE OPERATING FACILITIES

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all DOMINION GOVERNMENT departments

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Correspondents in London, England.
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STREET FLOOR
DEPT. 253

Simpson's

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W. H. BOSLEY & CO.
Exclusive Agents
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Consolidated Balance Sheet of

CANADA PACKERS LIMITED

(Incorporated under the Dominion Companies Act)
As at 30th March, 1949

ASSETS

	COLUMN 1 Including certain wholly-owned Subsidiaries consolidated in prior years	COLUMN 2 Including all wholly-owned subsidiaries
CASH ON HAND	$ 67,677	$ 69,129
CALL LOAN (secured)	400,000	400,000
INVESTMENTS:		
Bonds and Shares at cost less amounts written off—which is less than market value	357,613	357,613
ACCOUNTS RECEIVABLE:		
Usual Trade Accounts (after provision for losses)	11,163,570	12,187,379
Government Accounts	467,466	468,193
INVENTORIES:		
Products, Materials and Supplies on hand and in transit—as determined and certified by the Management and valued at the lower of cost or market, less Inventory Reserves	19,704,282	22,567,148
Life Insurance (cash surrender value)	674,523	674,523
Prepaid Expenses	386,058	397,506
Sundry Advances, Mortgages, Deposits, Balances Receivable and Advances to Employees for Expenses, etc.	287,457	320,850
TOTAL CURRENT ASSETS	$33,508,646	$37,442,341
Investments in subsidiary Companies not consolidated herein — at cost:		
Wholly-owned Subsidiaries	2,250,916	nil
Partially-owned Subsidiaries	498,000	498,000
Portion of Taxes refundable under The Excess Profits Tax Act (estimated)	890,000	1,051,199
FIXED ASSETS—Land, Buildings, Leasehold, Plant and Equipment	28,802,160	30,330,966
Goodwill	1	1
	$65,949,723	$69,322,507

LIABILITIES

	COLUMN 1	COLUMN 2
Borrowings from Bankers (secured $350,000)	$ 1,879,357	$ 1,965,075
Accounts Payable and Accrued Charges	7,955,254	8,291,324
Provision for Income, Sales, Municipal and Other Taxes	4,583,208	4,963,949
Amounts due to or from Subsidiary Companies not consolidated herein (net)	484,734	76,430
Dividends on Class A and B shares payable 1st April, 1949	500,000	500,000
2¼% debentures due 15th October, 1949	2,000,000	2,000,000
TOTAL CURRENT LIABILITIES	$17,402,553	$17,796,778
Debentures payable	$ 5,000,000	$ 5,000,000
2½% Debentures due Oct. 15, 1950 $1,000,000		
2¾% Debentures due Oct. 15, 1951 1,000,000		
2⅞% Debentures due Oct. 15, 1952 1,000,000		
3% Debentures due Oct. 15, 1953 2,000,000		
$5,000,000		
Provision for Depreciation of Fixed Assets	$19,382,241	$20,221,016
Surplus on Appraisals	$ 5,663,432	$ 5,663,432
Capital:		
Authorized and Issued — 400,000 Class A Shares of no par value; 800,000 Class B Shares of no par value	$ 1,438,284	$ 1,438,284
Earned Surplus	17,063,213	19,202,997
	$18,501,497	$20,641,281
	$65,949,723	$69,322,507

Statement of Consolidated Earned Surplus

FOR THE YEAR ENDED 30th MARCH, 1949

Balance at credit 31st March, 1948		$15,255,976
Net Profit for the year ended 30th March, 1949		2,807,237
		$18,063,213
LESS:		
Dividends paid or payable for the year—		
Two Dividends of 75c. each per Share on 400,000 Class A Shares	$600,000	
Two Dividends of 25c. each per Share on 800,000 Class B Shares	400,000	1,000,000
Balance at credit 30th March, 1949		$17,063,213

How Washington Decisions May Affect Our Trade

(Continued from page 1)

States and our own capital boom are rated as more important factors than the recent conversations. Some extension of steel controls is in the cards in any event. Also: the certainty that import control will be here for some time means a review of present procedures which presently tie these consumer-goods quotas down to a 1946 base. This revision would have come anyway in view of our own present dollar position.

7. We're not likely to feel any immediate effect from the British concession which allows discrimination in favor of ECA and sterling commonwealth countries.

The British are expected to first remove import controls on a specific list of items. This means that they would then enter U. K. without license from Europe or the sterling commonwealth and that present licensing against dollar countries like Canada would remain.

The British argue that this concession will enlarge the competitive trade area of the nondollar block and thus increase healthy competition. For that reason they may not extend the list too much if home industry is likely to be affected.

What Canada fears here is the long-term effect of the discriminatory principle; also the possibility that this might be used as a device to strengthen the sterling area "picket fence." (Best guarantee that this is unlikely to happen is the considerable success of the Washington conference in establishing a substantial basis for long-term economic co-operation.)

8. Canada may consider some form of loan or assistance to sterling area countries like India.

Nothing like this is contemplated immediately because of the argument that we have presently no "export surplus" beyond what's required to meet our present commitment to grant $120 millions credit to U. K. for 1949.

This policy may be reconsidered at the turn of the year when a clearer view of our own dollar position and the short-run effects of the dollar conference are more apparent.

9. The British position is still considered highly precarious.

The present government may not be able to take sufficiently drastic steps toward internal retrenchment to get its costs competitive with dollar markets. That means dependence on "incentives" or, alternately, external measures like devaluation. So far the Government hasn't devised any effective scheme for export incentives although officials have returned to London with a new determination to try.

10. It may be at least six to nine months before any effective aid to the Far East can be worked out in Washington and approved by Congress.

Meanwhile, the drain on U. K. sterling balances will continue except to the extent that it is met by new dollar loans or advances from the EX-IM Bank, the World Bank and the IMF.

Until the amounts and conditions of these latter items are known, the restoration of confidence in the pound must remain problematical.

Fund To Boost Gold Price?

(Continued from page 1)

program at the present time is to try to help the country which needs most help.

On that basis alone, gold price tinkering is not favored since it is not believed here that South Africa and Canada are at the top of the list of nations needing aid from the U. S.

U. S. Holds "Veto"

Meanwhile, John Snyder, U. S. Secretary of the Treasury has again reiterated his view that there should be no change in the gold price. And his government holds one third of the Fund votes. It also holds a special veto power over gold since the price cannot be changed without the unanimous consent of all countries which have 10% or more of the total quotas.

Apart from the gold flurry which made the meeting by far the most exciting in the Fund's history, the most controversial event was the surprisingly bold attack by Eugene R. Black, new president of the Bank, on exchange rates.

It's believed here that Mr. Black's outspoken insistence on the urgent need for currency revaluation was purely his own personal view and not an "inpired" by official U. S. thinking. This may be true. But at the same time it's generally accepted now that there was a deliberate decision here recently, to shunt all discussion of devaluation away from the ABC conference of last week and on to the Bank and Fund shoulders.

Water For 'The Twenty Towns' May Usher in Borough Plan

By CLIVE CHATTOE

Toronto Engineers Gore & Storrie this week completed two years of study and far-reaching recommendations that the metropolitan area's 20 municipalities abandon costly and conflicting lone-wolf policies governing utilities construction and finance.

The report, so far very "hush" and replete with cost estimates and cost-share ideas, was transmitted this week-end to J. P. Maher's Toronto & York County Planning Board for relay to the municipalities concerned.

Its basic finding:

To get efficient water and sewage services at lowest cost, Toronto area communities must finance and build in concert under something like a 'borough' system of administration (The Financial Post, March 13, 1948).

Details, according to town plan experts, are likely to arouse interest in almost every "greater" centre in Canada. A million people, more than 250,000 families, live in the 300-square mile "Toronto" area on Lake Ontario's north shore, with employment in manufacturing alone nearly 200,000 and annual production in factories close to $1.5 billions.

Close in importance for the area and business community came tabling of a 30-year "master plan" to guide $180 millions of public works spending in the city proper on streets, traffic structures, municipal service buildings and land redevelopment. Toronto Planning Board, also headed by Mr. Maher, was to seek adoption of the plan by city council and the Ontario Planning & Development dept., for possible "ironbound control" of future in-city capital spending.

Something For Posterity, What of Problems Today?

(Continued on page 3, col. 1)

in a very few days) the British will try bolstering the pound with the gains already won in the dollar talks.

If they are wrong about this, things will get worse before they'll get better. That means we may yet see one or more pound-dollar crises. Eventually and inevitably, in the view of most observers, this will end in devaluation.

Alternatively, if Cripps and the IMF do come to grips with the matter this week, the adjustment might well be made more promptly and in the end perhaps less painfully.

What else happened at Washington?

1. The British got a reluctant green light from the U. S. and Canada to discriminate in favor of imports from Europe and the sterling commonwealth countries.

The detail of this isn't finally settled yet. But it is assumed that the British will gain their point and thus be free to remove all discriminatory import restrictions against these two groups of countries while retaining them against Canada.

In the words of the official communique: "It was the view of the U. S. and Canadian delegations that such liberalization of the U. K. import regulations should be considered . . . ." The communique confirmed last week's Financial Post report that Britain would include in this new trade area, those countries "with which it did not have balance of payments difficulties."

2. The British got permission to spend $175 millions of their ECA funds on Canadian wheat.

3. The U. S. will ease the quota now limiting the amount of crude rubber that the industry can use. Canada has no such quota but will stockpile some crude rubber and tin thus giving some small immediate relief to the U. K. dollar reserves.

5. There is agreement in principle that the United States and Canada will take steps to ease customs procedure—the so-called invisible tariffs.

In the case of U. S. procedures, it was merely noted that "constructive steps" were already contemplated "through administrative action and proposed legislation."

6. Necessary U. S. support has now been obtained to ensure that there'll be rapid and substantial approval by the World Bank of loan applications from sterling area countries. These loans may amount to several hundred million dollars and will go to swell the total sterling area gold and dollar reserves.

7. There'll be some stepping up in U. S. stockpile purchases but no details are available.

8. Britain's special difficulties over petroleum are to be the subject of continuing study by a special technical group which will follow on from this week's meeting.

9. There'll be permanent and continuing tripartite "consultations." But care has been taken to avoid setting up new formal machinery so as not to antagonize other countries whose dollar problems are in many respects as difficult as those of Britain.

10. There is to be further study of Britain's shipping problem. This revolves largely around liberalization of the present restrictive policy (imposed directly by Congress) in favor of U. S. shipping for carrying ECA goods.

11. The all-important question of the drain on Britain's reserves by reason of her $13½ billion of war-born outstanding sterling balances, was shelved for the time being. The argument: that this involved countries other than the ABC nations.

Speaking generally, it is clear that the dollar talks as a whole involved two items: first, the immediate crisis in Britain's dollar position; secondly, the long term problem of achieving equilibrium in dollar-sterling trade between now and 1952 when ECA aid terminates.

On the second question, it is obvious that important advances have been made. On the first, it is too early to know what the answer will be.

Britain has committed herself to the creation "of appropriate incentives to exporters to the dollar area" and to "a vigorous attack on costs of production to enhance her competitive position of sterling area products.

What is not yet clear is whether these internal efforts, plus the special dollar concessions that have been obtained, will be sufficient to restore confidence in the pound sterling short of devaluation. This conference didn't have an answer to that question.

Output Zooms In Silver Here

(Continued from page 1)

pects to have a new 250-ton mill operating by early next month. Mill unit will have about twice the effective capacity of the previous one. Production from United Keno is expected to approximate 3 million oz. in 1950, may be doubled in a few years.

Castle-Trethewey Mines is expected to resume silver production with a 125-ton mill as soon as development places a new supply of ore in sight.

Silver Miller Mines is placing a 50-ton mill in operation this fall.

McWilliams-Beardmore Mines is proceeding with construction of a 150-ton mill on its property west of Port Arthur.

Siscoe Gold Mines has been increasing output as its O'Brien silver mine, in the Cobalt area.

With the price of silver rising recently from 70 to 73¼ cents an ounce, silver producers have been provided with an extra incentive to maximize output.

Look for It Here

Sept. 17, 1949

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TO A MILLION CANADIANS

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I·A·C

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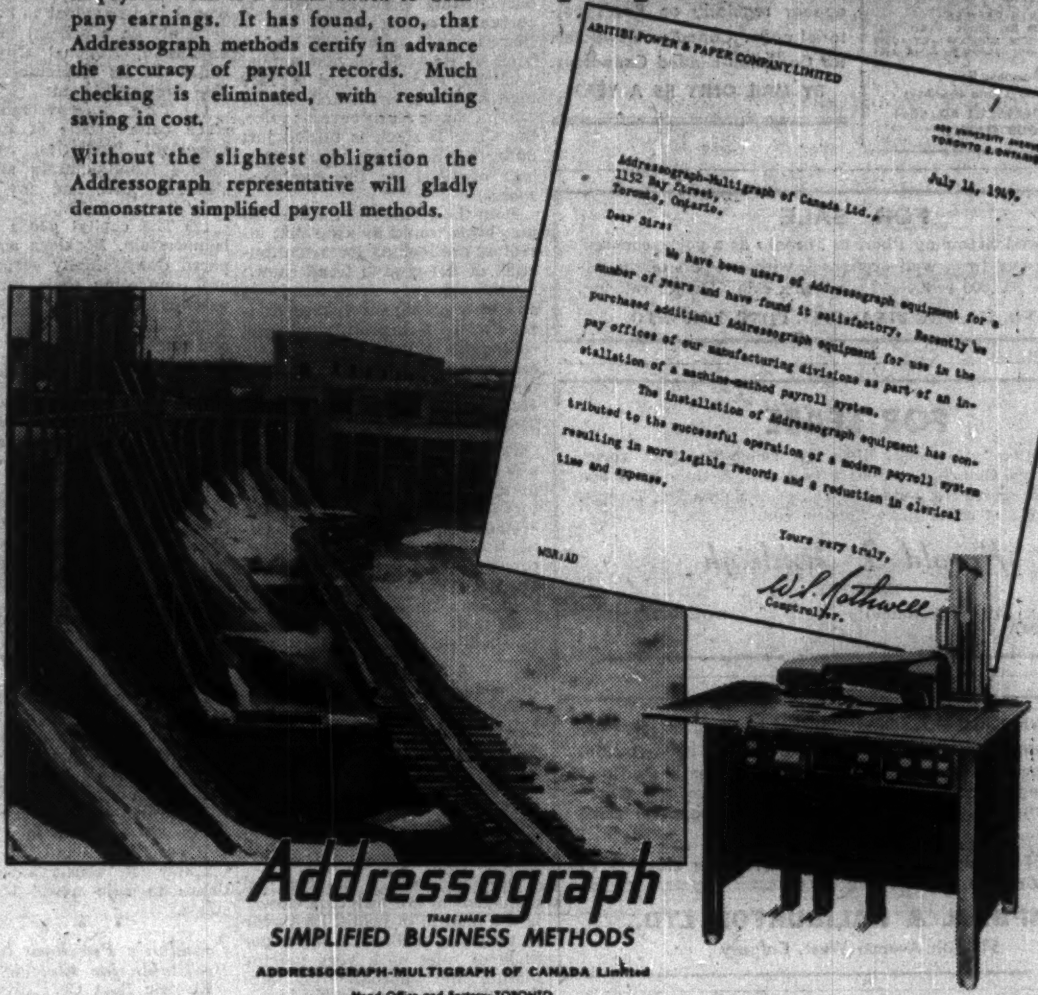

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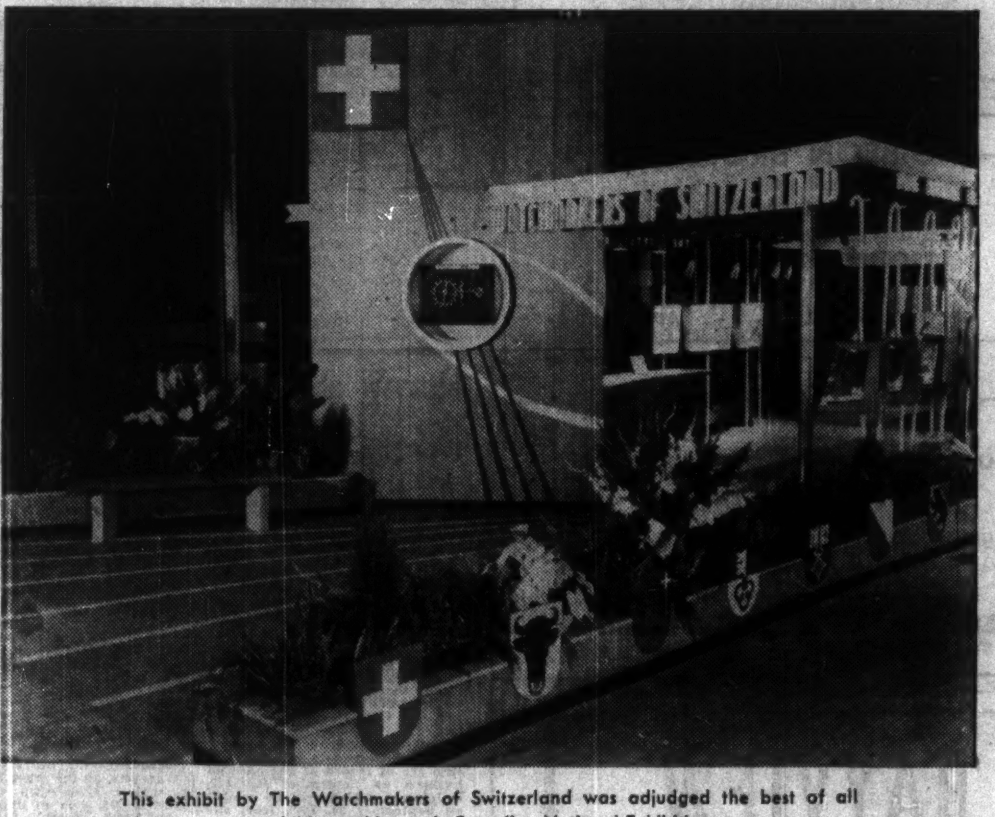

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INVESTMENTS THIS WEEK

Can. Packers Sets Records Says No Dividend Increase

Mailing this week of the annual report for the year ended March 30, 1949 of Canada Packers Ltd. (see page 19) reveals one reason for the recent market strength, which has carried its Class B stock to a new 1949 high. Dollar sales and net profit were new records.

Canada Packers Class B stock is currently selling about $17¼ a share to yield about 2.90% on the basis of the 50c current annual dividend rate. It sold at its 1949 high of $17¾ a share this week against its 1949 low of $14 a share last May. Its Class A cumulative participating preferred stock is currently selling about $32 a share to yield about 4.69% on the basis of its $1.50 current annual dividend rate and had a 1949 high of $34 a share and low of $28½ a share. At its current price, the Class B stock is selling just under 7.3 times last year's earnings of $2.34 on the combined shares.

Both the yields and times-earnings basis would indicate that investors are looking for a continuation of the growth trend shown by the company in recent years and also perhaps a higher dividend rate. Net profit, including refundable E.P.T., has increased each year from the $1,611,418 net for the year ended March 25, 1943 to $2,807,237 for last year, a 74% increase.

President J. S. McLean kills any idea of an immediate increase in dividends by stating: "Directors feel that action regarding the dividend should be postponed until the economic horoscope becomes somewhat easier to read." They hesitate to commit the company to a higher dividend scale until more normal conditions are re-established, he explains.

The increase in earnings has reflected the steady growth in dollar sales to a new record of $314,918,888 in the last fiscal year —32% over the record of the previous year of $238,454,037. The increase in sales in fiscal 1949 over fiscal 1948 of $76,464,851 is almost equal to total sales of the last pre-war year. ($77,225,732 in fiscal 1939.)

One factor which investors and management are watching closely is the margin of profit. Last year it declined further to 0.89c per $1.00 of sales — a very narrow margin and approximately one-half that of fiscal 1939 (1.61c). Further, out of each dollar of sales, 84.42c was paid for raw materials.

Canada Packers' total assets have increased to $65,949,723 at March 30, 1949—over 41% higher than the total of $46,719,485 at March 25, 1943.

Working capital was strengthened in the past year through an increase of $2 millions in debentures outstanding and by retained earnings to amount to $15,720,035 at March 30, 1949 against $13,323,724 a year earlier and $8,871,179 at March 25, 1943. Inventories, at lower of cost or market less reserve, show a reduction of about $5.2 millions to $19,674,523—representing less than average sales for one month and indicating conservative policy and stronger position if prices decline.

A favorable factor is Mr. McLean's statement that: "It is believed that the inventory reserves set up during the war will more than meet any deflation losses which are now likely to occur."

This year Canada Packers sets its balance sheet up in two columns. The first treats investments at cost and is therefore comparable with balance sheets of previous years. The second is a consolidated balance sheet in which are merged the total assets and liabilities of three subsidiaries shown as investments in the other column. Where a change like this is being made it is very helpful to shareholders and investors to have both bases. It facilitates comparison with previous years.

• • •

Conservatism Seen Best For Longer-Term Outlook

Continued improvement in demand experienced by many U. S. industries in July raises the important question of its significance in the longer term outlook. While the increased production will add to purchasing power, it would be imprudent to count too certainly on a general industrial expansion, National City Bank states in its September letter. The Bank points out:

(1) The improvement has come before some of the most important industries, as automobile manufacturers and construction, have had any significant decline.

(2) The capital goods outlook is uncertain. Backlogs are being pared down. Many corporations are completing their immediate postwar expansion plans this year and will spend less on plant and equipment in 1950.

(3) If the catching up, which hit lighter industries earlier, also comes in automobiles, construction and other capital goods, one of the strong supports of employment and buying power will be weakened.

(4) Farm income and farm purchases are expected by many to decline as a result of lower prices for feed grains and livestock and lower production next year.

(5) Price expectations this fall are likely to be bullish enough to stimulate a strong inventory buying movement.

"While business buying has had to recover to levels more in line with ultimate consumption, current opinion suggests that it will not become reckless, and that the caution which has proved its worth will not be thoughtlessly abandoned. The position will be stronger and the outlook brighter if conservatism continues to rule now," the bank states.

• • •

Canadair's Purchase Seen Profitable for Electric Boat

Electric Boat Co.'s diversification of its activities through expansion into the aircraft field by acquisition of Canadair Ltd., Montreal, has proved profitable for the company and its shareholders. Electric Boat is the only peacetime builder of marines in the U.S. and its main customer is the U.S. Navy. The market for its chief product is uncertain.

Its Canadian subsidiary produced about two thirds of its combined sales in 1947 and about three quarters in 1948. Financial men think that the picture will be about the same this year, although the parent company should contribute more in 1950 due to navy orders.

Electric Boat Co. common and preferred both rose in this summer's rally from the June 13 low, the common going from $13⅛ to $14½ and in the preferred from about $33½ to $35½. One of the factors in the rise of the parent company stock is said to have been the Canadian Government's $30 million contract with Canadair to build 100 F-86A jet fighters, announced at the end of August after pending for months. Still another factor is said a strong probability that the concern may get more orders for transports from Canadian Pacific Air Lines. It has had orders from both C.P.A.L. and B.O.A.C. for the Canadair Four.

• • •

Annual Reports

Power Corp. of Canada annual report for the year ended June 30, 1948 has been awarded honorable mention by "Financial World" in its annual survey of annual reports. The 1949 annual report follows much the same style as the 1948 report. It reviews operations of subsidiary companies, gives certain statistical data on them and contains an interesting picture of the Quinze power development and a cross-section view of an electric generating station to show how it works. This is interesting and helpful to shareholders.

• • •

United Distillers of Canada Ltd. has brightened up the appearance of its 1948 annual report and recognizes its potential sales value by listing subsidiaries and their brand names. The report, however, does not include any comment of directors or officers. Some explanation of operations and appraisal of outlook would be appreciated by shareholders.

New Legal Angle In Barcelona Case

Another legal step in connection with the Barcelona Traction Light & Power Co. bankruptcy proceedings is now being taken in the British courts, The Financial Post understands.

Sidro, a majority owner of Barcelona's common stock and a very large holder of the parent company's prior lien and first mortgage bonds, has joined with a Canadian bondholder in an action in the Chancery Court seeking an interlocutory injunction to restrain the Prior Lien Bondholders' Committee from appearing and claiming to represent all the bondholders in the bankruptcy proceedings in Spain on Sept. 19. (The Financial Post, Sept. 10 and Aug. 20).

The action was expected to be heard this week.

Can. Packers Head Sees Lower Prices

"Underlying conditions which will eventually determine price levels are beginning to appear," J. S. McLean, president of Canada Packers states in the annual report covering the latest fiscal year's operations.

Europe is still short of meats and dairy products but has not the dollars to buy them from North America, and is able to maintain a fairly adequate standard of nutrition without them. Therefore, in the United States and Canada livestock prices will be determined chiefly by conditions of supply and demand at home, Mr. McLean states.

On the supply side, livestock production seems likely to increase. The growing problem of finding buyers for surplus grains will force farmers to market their grains through the medium of livestock. On the demand side, purchasing power is still high, but some decline has already set in, he said.

The peak of prices in U. S. and Canada has admittedly been passed, Mr. McLean says. "It would seem certain that further declines were imminent, except for the delaying influence of Government support policies. Up to now, because of resilient national revenues, these supports have not imposed a heavy burden. But national revenues are shrinking and the sums involved in the support policies are increasing. It is by no means certain that the United States can carry indefinitely the burden of farm support on the scale involved in present legislation," Mr. McLean stated.

Scots Seek Aid Here In Drive For Trade

The Scottish Council, representing Chambers of Commerce in Scotland, the Scottish Trades Union Congress and all local authorities, is sending a delegation to Canada next month to complete the inauguration of a Committee of the Scottish Council in Canada. Purpose of the Committee will be to advise and assist the Council on the development of trade between Scotland and Canada.

The party will be headed by Sir Steven Bilsland, chairman of the Scottish Council, R. A. Maclean, chairman of the Scottish Industries Exhibition and Dr. Macrae, secretary, the Scottish Council.

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1. A dividend (Number 4) of $1.19 per share in Canadian currency has been declared on the 4¾% Cumulative Redeemable Preferred Shares for the three months ending September 30, 1949.

The said dividend will be payable on or after October 1, 1949 in respect of the shares specified in any share warrant on presentation and delivery of dividend coupon No. 4 at any Branch of The Royal Bank of Canada in Canada.

The said dividend will be paid to registered holders of said shares who are of record at the close of business on September 15, 1949, by cheque which will be mailed on September 30, 1949, from the office of the Montreal Trust Company, Vancouver, B.C.

2. A dividend (Number 10) of $1.00 per share in Canadian currency has been declared on the 4% Cumulative Redeemable Preferred shares for the three months ending September 30, 1949.

The said dividend will be payable on or after October 1, 1949 in respect of the shares specified in any share warrant on presentation and delivery of dividend coupon No. 10 at any Branch of the Royal Bank of Canada in Canada.

The said dividend will be paid to registered holders of said shares who are of record at the close of business on September 15, 1949, by cheque which will be mailed on September 30, 1949, from the office of the Montreal Trust Company, Vancouver, B.C.

3. The Income Tax Act of the Dominion of Canada provides that a tax of 15% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and The Royal Bank of Canada will deduct the tax when paying coupons to or for accounts of non-resident shareholders. Ownership Certificates (Form No. 600) must accompany all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax deducted at source is allowable against the tax shown on their United States Federal Income Tax return. In order to claim such credit the United States tax authorities require evidence of the deduction of said tax. For this purpose the Company's paying agents, Montreal Trust Company, 466 Howe Street, Vancouver, B.C., will, at the year end, mail to registered shareholders a Certificate of Tax Deduction covering the aggregate tax deducted from dividends paid during the calendar year. Bearers of Share Warrants, on the other hand, must complete Ownership Certificates (Form No. 601) in duplicate and the Bank cashing the coupons will endorse both copies with a Certificate relative to the deduction and payment of the tax and return one Certificate to the Shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from any office of The Royal Bank of Canada.

Subject to Canadian Regulations affecting enemy aliens, non-residents of Canada may convert this Canadian dollar dividend into United States currency or such other foreign currencies as are permitted by the general regulations of the Canadian Foreign Exchange Control Board at the official Canadian Foreign Exchange control rates prevailing on the date of presentation. Such conversion can be effected only through an Authorized Dealer, i.e., a Canadian Branch of any Canadian chartered bank. The Agency of The Royal Bank of Canada, 68 William Street, New York City, is prepared to accept dividend cheques or coupons for collection through an Authorized Dealer and conversion into any permitted foreign currency.

BY ORDER OF THE BOARD,
G. G. WOODWARD
Assistant Secretary
August 25th, 1949
425 Carrall Street,
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Howard Smith Paper Mills Ltd.	4%	Pref.	$44.00	4.54
Brown Company	5%	1959	91.00	6.20
Eddy Paper Company Ltd.	$1.00	Class "A"	$14.50	6.89
Powell River Company	$2.75	Common	38.75	7.09
Abitibi Power and Paper Co. Ltd.	$1.50	Pref.	18.50	8.10

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Spend $375 Millions Year To Keep Forests, CFA Asks

MONTREAL (Staff) — A Canadian Forestry Congress to be called by September, 1950, is urged by the Canadian Forestry Association in its brief released this week, "The Case for Forestry in Canada." It recommends that government, forest industries and general public be represented.

CFA states that in 1946 the forest industries production had a value of approximately $1.1 billions not including the secondary incomes derived from the forests by trapping, tourism, water control, etc. In the same year CFA states, a total of only $29.8 millions was invested in the forests by governments and industry. According to its analysis, CFA estimated that the provincial governments spent $10.7 millions, Dominion Government $2.6 millions and the forest industries $16.4 millions.

CFA believes that minimum expenditures on the forests from 1951 to 1955 should total $375 millions — $50 millions in 1951 increasing to $100 millions in 1955.

Dr. John S. Bates, Chairman of the board of CFA, pointed out that in 1946 the Dominion Government received more than $100 millions in revenue from forest industries and workers and put back $2.6 millions. Provincial governments took out more than $20 millions and put back about $11 millions.

Forest Depletion

CFA stated that no satisfactory statistics are available to prove whether or not Canada is depleting its forests. Records do show, however, a definite decline in volume of sawlog timber and of some species of trees.

Standing merchantable timber in accessible forests totals about 191 billion cu. ft. in Canada, CFA reported, and annual depletion runs about 3.3 billion cu. ft. which means only a 58-year supply unless new growth replaces the loss. Annual growth or regrowth is not known.

CFA studies revealed that in many readily accessible areas the forests are being unnecessarily overcut or cut before maturing. Douglas fir is mature and must be salvaged by cutting far in excess of growth replacement. On the other hand, species like poplar, lodgepole pine and jackpine should be cut much more heavily as soon as wider uses can be found. Today Canada is suffering from failure to provide for a new crop of white pine and red pine which were the foundation of Canada's early lumber industry.

Some of the remedies suggested by CFA were:

(a) Calling of a forestry congress next year in Ottawa.

(b) Planting of about 1½ million acres of abandoned farm land in trees which could produce 50 million cu. ft. annually.

(c) Adequate forest management including harvesting mature wood before it is lost; greater utilization of the so-called "weed-species", intensive silviculture; better fire, insect and disease protection.

(d) Re-investment of more money in the forests.

(e) Greater utilization of logging and sawmill waste. A CFA survey showed that in 1946 logging and sawmill waste amounted to 900 million cu. ft. of wood.

It is estimated that with greater expenditures for the protection and improvement of the forests, the annual value of the forest products could be doubled within 50 years.

CFA states that it hopes the forestry congress may result in an agreement on the control and handling of funds for reinvestment in the forests. It suggests that the broad principles of forest policy could be fostered and promoted by a national board representing interested parties or by provincial boards in each province.

Molson's Plans NewBrewhouse

MONTREAL (Staff) — Construction of a new brewhouse by Molson's Brewery which will have an ultimate capacity double that of existing facilities is announced by President H. W. Molson. Capacity of the present plant is over one million barrels yearly. The new brewhouse is expected to be ready by the spring of 1951.

Molson's Brewery last year completed the construction of a new bottling building costing over $3 millions and a new $1.5 millions storage and ageing building was started in December, 1948.

An addition to the brewhouse is planned along with additions and developments in other departments which in the aggregate will cost approximately $1.5 millions.

Mr. Molson reported that the company produced one million barrels of ale within a 12-month period. A silver barrel commemorating the event was placed in the company's reception hall. This is the first time in the history of the Canadian brewing industry that a single brewery has turned out a million barrels within a year.

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Imperial Plans New Refinery For Winnipeg

Imperial Oil Co. has acquired a refinery site of about 400 acres on the East bank of the Red River on the outskirts of Winnipeg. Engineering plans for the new refinery are now being developed as a result of the projected pipeline from Edmonton to Gretna, Man. and thence to Superior, Wis.

Alberta oil should be flowing through the line from Edmonton to Regina by the fall of 1950 and east from Regina to Superior sometime in 1951, a company executive states.

Only refinery in Winnipeg at the moment is that of North Star Oil Co. and capacity there is being stepped up from 2,000 barrels to 4,000 barrels a day. Average daily consumption of crude oil equivalent in the province in 1948 was 12,695 barrels and average refinery throughput of crude oil only 3,588 barrels.

Price Cut in Bunker Fuel Hits B. C. Oil Refineries

Reduction in price of bunker fuel oils is paring gross revenue of B.C. refinery companies at the annual rate of about $2 million. At the same time crude petroleum—the raw material—continues in firm demand and at firm prices. This is one of the big problems behind the current oil companies' applications for permission to raise gasoline prices in that province, R. D. Baker, president of Standard Oil Co. of British Columbia states.

Crude oil must be imported into B.C. and since California crude can be laid down in refinery tanks in Vancouver harbor at less cost than similar crude from Alberta sources, foreign crude is used. Because manufacturing costs in B.C. are substantially higher than in larger markets, due to smaller volume, finished petroleum products cost more in B.C.

"It is when they sell for less than the difference in cost, here as against elsewhere, that the shoe begins to pinch," Mr. Baker says.

An oil refinery is like a sawmill, Mr. Baker says, and a barrel of crude is like a log. Both crude oil and logs are bought as a unit. Both are processed and finally sold, not as one, but as several different products and grades of products. Those in strong demand usually take up the slack in gross revenues caused by the lessened demand and lower prices of the others.

The situation is usually met and solved as a matter of course through the free play of economic forces. "But what is unusual is that here in B.C. a government has stepped in and interfered with the free play of economic forces upon a world market commodity produced wholly without the jurisdiction of that government," Mr. Baker says. "In effect the government says that the refiner will purchase his raw material in the world market and sell 60% (proportion of crude oil that goes into refined products other than gasoline) of the finished product in a local market directly influenced by the world market—but is required to sell the remaining 40% of the finished product (gasoline) only at artificially controlled and fixed prices as established by the government."

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Life members, who have been approved as qualifying members for either (a) three consecutive years or (b) four years out of five consecutive years.

Life and qualifying members repeating, who have been previously qualified as life and qualifying members and are repeating the past performance.

The 1949 Million Dollar Round Table includes 24 Canadians out of a total of 824. This number includes three in the life and qualifying repeating group; two in the life group, eight in the life and qualifying first time group; three in the qualifying repeating group and eight in the qualifying first time group. Their names with city and name of company and group in which qualified follow.

BAKER, ERIC W., F.L.M.I., Toronto, Canada Life, qualifying repeating.

BELL, W. E. N., C.L.U., Toronto, Manufacturers Life, life and qualifying 1st time.

BICKERSTAFF, A. HAROLD, Toronto, London Life, qualifying 1st time.

BROWN, KENNETH G., C.L.U., Hamilton, Canada Life, life and qualifying 1st time.

BROWN, LEON A., Winnipeg, Excelsior Life, qualifying 1st time.

CRAWFORD, S. HUME, Toronto, Manufacturers, life & qualifying 1st time.

DURANT, NORMAN MERTON, Toronto, Canada Life, life and qualifying repeating.

EISEN, SOL, Toronto, Canada Life, life and qualifying 1st time.

ELDER, ANDREW J., C.L.U., Toronto, London Life, life and qualifying 1st time.

FINLAYSON, DUNCAN J., Toronto, Standard Assurance, life.

FITCH, JACK, Montreal, North American, life.

FOSTER, RALPH E., Toronto, Canada Life, qualifying repeating.

HARRIS, HYMAN J., C.L.U., Ottawa, Great-West Life, qualifying 1st time.

HOARE, SYD, Vancouver, Canada Life, qualifying 1st time.

HOPWOOD, WARREN J., Jr., Winnipeg, Great-West Life, life and qualifying 1st time.

LAURENT, CHARLES E., Toronto, Manufacturers, life and qualifying repeating.

LEVY, MORTIMER LOUIS, C.L.U., Toronto, Imperial Life, qualifying 1st time.

MINGAY, J. D., C.L.U., Toronto, Prudential Assurance, life and qualifying 1st time.

MORTON, G. M. BARRY, Montreal, Manufacturers, qualifying 1st time.

PECK, CHARLES C., Toronto, Canada Life, life and qualifying repeating.

PETERS, JAMES H., Toronto, Manufacturers, life and qualifying 1st time.

QUINN, JAMES T., Winnipeg, T. Eaton Life, qualifying 1st time.

STEWART, ARCHIBALD D., C.L.U., Ottawa, London Life, qualifying repeating.

UNDERELL, Charles J., London, Ont., Occidental-Calif., qualifying 1st time.

ST. GABRIEL-de-BRANDON has sold $150,000 of 3% serial 15-year bonds to Credit Interprovincial Ltee. for a price of 97.29 with net cost computed at 3.4785%. Loan is for a convent for girls.

Leyland Gets Fairchild Plant For $600,000

MONTREAL (Staff) — Sale of Fairchild Aircraft buildings and land at Longueuil, Que. to Leyland Motors (Canada) for $600,000 was approved by shareholders this week. Leyland will concentrate its Canadian operations in the Longueuil plant and has long term plans to go into complete manufacture of Diesel transportation in Canada (The Financial Post, Aug. 27).

An objection was raised by shareholder L. Rochefort, Trois Rivieres, who stated he believed the company's building and property was worth more than the price offered. He said one-half of the total plant area had been sold to George Weston Ltd. for $900,000, by the Dominion Government in 1947.

He said he did not see the need for selling the property at this time since revenue from leases was sufficient to carry the buildings and property. Instead he suggested a $400,000 bond issue carrying 5% be raised to satisfy existing creditors. He said he was prepared to purchase a pro rata portion of such a bond issue to protect his equity in the company.

Company officials said that they did not think such an issue would be a practical solution, pointing out that bond issues were usually sold in companies which had an earning record and that Fairchild was earning nothing at the present time. In view of this, marketing of such bonds would present serious difficulties.

Appointment of Michael Barkway, P. M. Richards, Willson Woodside

MICHAEL BARKWAY

Ace commentator and distinguished journalist, has been appointed Associate Editor of SATURDAY NIGHT with headquarters in Ottawa. Developer of BBC's overseas news department and a former BBC representative in Canada, Mr. Barkway brings to SATURDAY NIGHT a broad outlook on the nation's place in the world economy. Further appointments on SATURDAY NIGHT'S new editorial board of 40 top ranking journalists, include P. M. Richards, outstanding financial writer and Willson Woodside, international authority, who have been named Associate Editors.

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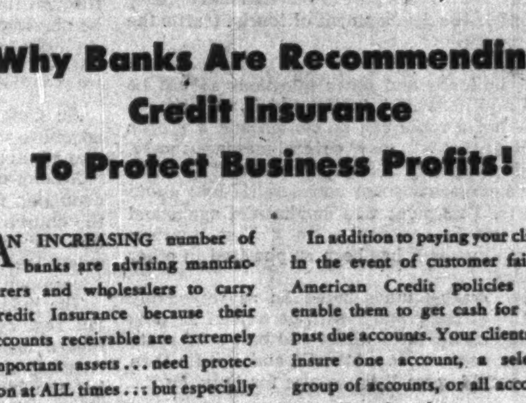

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Our Cities Must Look Ahead

Since 1908 Toronto City Council has considered six different "Master Plans" covering future growth. None have been adopted in anything like complete form.

This week came another. Cost is estimated very roughly and in some cases inadequately at around $180 millions, with the work to be spread over the next 30 years. Principal improvements would include construction of several new traffic arteries, face lifting for extensive areas on the fringe of the present main business centre and a complete overhaul of the islands in Toronto Bay.

A basic weakness of the plan is that it deals only with that area within the corporate limits of Toronto. That is not enough. Growth problems and need for planning are just as serious, if not more so, in the suburban areas surrounding all of our larger centres. Any master plan must embrace the whole metropolitan area.

If past experience is any guide, it would be too much to expect that this latest plan will be quickly and officially approved. But whether they need to spend $180 millions or a great deal less, Toronto and other big Canadian cities, with their suburbs, will have to adopt some sort of a growth plan and stick to it. If they don't we are going to leave our children some pretty awful places in which to work and live.

This country is growing up faster than a lot of us seem to realize. Particularly is this true of the urban and semi-urban parts. Perhaps close to 25% of the built up areas of our big city communities has been added in the last 10 years. With a few notable exceptions, however, there has been no general planning of this new growth at all. Subdivisions have appeared here and there with little relation to anything but the most primitive of transportation, water and sewage services.

At the same time certain downtown and near downtown blighted districts have become still more blighted. Because there has been too little stability about zoning and restriction bylaws and far too little vision in devising them in the first place, there has been no encouragement to replace obsolete buildings with something more attractive and more suitable. Traffic congestion, bad enough before the war, is now reaching a point where the motor car and truck cannot proceed half as fast as the horse they replaced.

The only possible hope for evading the certain jungle that looms ahead is to keep future growth properly and permanently segregated, where industrial, business and residential areas will not become hopelessly jumbled together, where local and through traffic will not compete for the same narrow streets, where a person can build a home or a skyscraper with the assurance that the district and the value of his investment will not materially change in the next 50 years.

To do this every municipality which expects or hopes to grow must have some sort of a master plan and of equal importance it must stick to it.

They Can't Have It Both Ways

Whenever are prices going to start coming down? The answer to that universal question is never, as long as labor unions continue to carry on like the CIO Steelworkers have been in the United States.

If ever there was conclusive evidence of the truth of the economic rule that prices are directly related to wages, the U. S. steel dispute provides it. Until a few months ago, there were definite signs that steel prices had reached their peak and were on the way down. Demand had fallen off; the industry was down to 80% of capacity; competition was back. Lower prices seemed inevitable.

And because steel is a major factor in so many commodities—cars, stoves, refrigerators, etc.—any reduction would have been felt all down the consumer line. This is what labor has been calling for. But the steel union wanted jam too; company financed pensions, social welfare and a raise to top it off. Only intervention of President Truman and appointment of a fact-finding board prevented a strike.

Last Saturday, the Board recommended pensions and welfare programs to be paid for by the industry but no wage increase. Neither side are bound by the findings. At the president's request, the strike deadline has been postponed until Sept. 25. Until then, the U. S. can breath easier.

But in the meantime, what happened to the steel market? Just the threat of a strike and the possibility of what union demands if granted would do to the industry's cost picture, completely reversed the probabilities. Chances of a price reduction now are about as remote as return of the 5c. cigar.

Labor is entitled to a fair share of the earnings of industry. But forcing industry to pay exorbitant demands by threatening it with a big strike stick is not the way to industrial harmony or the lower cost-of-living for which unions are clamoring. They can't have it both ways.

Make It Direct

Now that the Dominion Government has definitely committed itself to supporting the Trans-Canada Highway it's to be hoped that Parliament will give sober thought to the major considerations which should determine the route. If all the pleas and shouts of various interested municipalities are heeded we will end up with the crookedest, most expensive and least efficient road in the world.

Much more important than local arguments are the main purposes to be served. Are we going to use the road primarily for moving freight? Is it to be a part of our national defense system? Is the development of tourist traffic the main reason?

Before the surveyors and bull dozers are called in these and other questions should be faced and answered. In the end it may be decided that a route can be chosen and a proper road built that will serve several major purposes.

But one thing it can't do and that is touch every important centre between St. John's and Victoria. This point was emphasized again and again and in the replies to a Post question recently just as it has been emphasized in other quarters.

The Trans-Canada must be as reasonably straight as geography will permit. If it does not give us the most direct and best road route possible between the Atlantic and Pacific then there would seem little excuse for building it.

We Must Stand Firm

The blunt warning handed out to U. S. air lines last week by our Air Transport Board will be heartily and widely approved by Canadians. If recent concessions granted Canadian lines operating into the United States are blocked, then, says the ATB, compensating concessions granted U. S. air lines in this country will be withdrawn.

When Newfoundland entered confederation last spring Canada gained a powerful bargaining weapon for use in negotiating commercial aviation agreements with her big southern neighbor. The Air Transport Board makes it clear that this weapon will be used, if necessary.

The high-pressure methods that have secured exclusive air rights, but not goodwill, for certain American air lines in South America and other countries, will not be tolerated in Canada. And as a strong and independent Canada is a vital factor in North American defense the U. S. Congress would be wise to encourage, and not block, any legitimate Canadian expansion.

In this particular case the official regulatory body in the United States, the Civil Aeronautics Board, approved of the extension of Canadian air lines into American territory. This approval was part of a much larger and general agreement which among other things continued the right of certain U. S. airlines to operate through Gander and Edmonton.

Now backed by a powerful Washington lobby an attempt is being made to block the major concession granted to Canada. By invoking legal technicalities the plan is to prevent U. S. government approval of the agreement negotiated last summer. Very properly the Canadian Air Transport Board has warned that if this move succeeds, U. S. planes may be barred at the two points where they must land for most of their international flights to and from the north.

It's to be hoped that it will not be necessary to take such drastic measures, even temporarily. There is far too much restriction of trade and travel in this world today as it is. But in this case Canada has no alternative but to take a firm stand. Giving in will certainly not boost our prestige either at home or in the United States. Far too often in the past have our interests been sacrificed in similar controversies with our big neighbor. Canada would have been a richer, bigger and stronger partner of the United States today had wiser and more just settlements been made.

They Break Their Own Rule

Practically underneath a "No Parking Sign," two bright yellow cars of the Toronto City Police Accident Squad were parked for all to see the other day. The drivers were probably at lunch or may indeed have been testifying against some luckless motorists in the City Hall a block away.

That sort of thing certainly does not help build respect for law and order nor for the safer traffic campaign the drivers of these cars are supposed to be actively supporting.

Any parent knows that about the worst possible break he can make is to do something he is trying to teach his offspring not to do. Even at some possible inconvenience to himself he must set an example.

For the police, as the parent, this setting of an example should be a fundamental requirement. But with the former, all too often it is forgotten. Sometimes, of course, it is necessary for the police to break the traffic laws they are hired to enforce. But this is excusable only in a real emergency.

Unfortunately, there are some members of these forces who never seem to be able to distinguish between an emergency and routine. They roar through red lights. They park continuously and long in prohibited areas. They block traffic near busy intersections with carelessly parked motor cycles, and they almost seem to delight in holding up all traffic while they jot down notes on a trivial accident.

When the average citizen sees uniformed police flouting traffic regulations it is hardly surprising that he should feel like flouting them, too. That reaction could lead to very dangerous consequences. If we hope to get anywhere in reducing the appalling toll in life and property through traffic accidents, then traffic laws must be universally obeyed. Above all our police must set a shining example.

It Didn't Help

An Ontario county court judge has lost his appeal to the income tax board which also gave him a tongue thrashing.

Among other things the judge was claiming deduction for his loose change contributions to the church collection plate. He claimed deduction for travelling expenses which, the board ruled, had already been paid by the provincial government.

The judge may have misunderstood what the tax regulations are. But it seems remarkable that a man "trained in the law," and a man deemed capable of ascertaining and interpreting the laws of our land should err on such elementary rules of our tax system.

We don't feel that the dignity of our judiciary has been enhanced by this incident.

Should Include Preferred

Some time ago The Financial Post urged that the concession granted in the last budget to holders of common stock should also be extended to the preferred. Saturday Night does not agree. It argues that if the preferred dividend is paid then "preferred shareholders are in no way suffering from income tax collected on the company's earnings."

That is true but it has little to do with the major reasons why the concession should be extended to the preferred stock.

In his budget speech Finance Minister Abbott referred to the concession as a first step in dealing with the removal of double taxation on company profits. So far as the preferred dividend stockholder is concerned there is still double taxation on these profits, once in the hands of the company, again when he receives them. And the fact that dividends on preferred stock will continue to be taxed while those on the common escape, will certainly not enhance the value of the senior security. It will indeed make the term "preferred" mean just the opposite.

Saturday Night's argument is just as logically applicable to bond interest, which is now deducted before income tax. If the only determining factor is whether or not the investor is getting his money, then there would be no justification for permitting bond interest to be deducted as a business expense.

Napier Moore's

Scratch Pad

Britain's oldest beverage, mead, will soon be available for export to North America. The U. K. Information Office so informs us, adding that production on a commercial scale is being revived after a lapse of 400 years.

Simultaneously with this announcement there arrived a newspaper clipping sent by our good friend A. T. Wilgress, retired veteran Canadian journalist and uncle of L. D. Wilgress, Canadian High Commissioner in London. A. T. is also in England, staying at an old Gloucestershire inn.

The clipping describes a recent ceremony at Gulval, Cornwall—the Blessing of the Mead. It was quite a do. Freemen of the Worshipful Company of Mead Makers were there with silken banners of the Court. Liverymen of the company wore black gowns and bright blue capes lined with emerald green. Servitors wore dove grey with silver buttons and braid. The Beadle was followed in procession by heralds with trumpets. In Gulval Church the vicar intoned a Latin prayer. A passage of scripture was read in Cornish and Anglo-Saxon and in English from the Bible of 1583. And the mead was blessed in the ancient St. Ives Loving Cup.

Fascinated by this, Mr. Wilgress delved into mead lore and came up with an old toast, "God bless the golden bees that make the honey that makes the mead that makes men great!" And he adds that Alfred the Great was nurtured on mead.

We are personally relieved to know that mead has the blessings of the church. Years ago, while visiting in southern England, a fellow we know, who dotes on things ancient, drove us many miles to a quaint old inn nestling in a lovely countryside. There, by pre-arrangement and as a great treat, we were served with what was described as real old English mead, in pewter mugs. It was quite tasty. We had a short encore and felt no effect whatever. Except that on attempting to rise, while our head was perfectly clear, our legs had turned to putty. Our friend said that was very odd because we must have a trace of Saxon blood somewhere. Locomotion quickly returned, but until now we have harbored rather a guilty conscience; a feeling that we let Alfred the Great down.

We haven't a doubt that the export mead will be toned down.

• • •

Saturday, September 10, on Toronto's Rosedale golf course, we witnessed a phenomenal occurrence. The seventh fairway is bisected by a river. For those who clear the stream there is a sturdy bridge. For those who indulge in water sports there is, at the bottom of the bank, a narrow plank laid across the torrent. R. A. McEachern, the editor of this paper, with his second smite, sent the ball soaring into the sky. It dropped midway between the river's edges. But, when we reached the scene of the supposed disaster, there was McEachern's ball lying neatly balanced in the centre of the plank.

• • •

We read with considerable interest a Toronto Globe and Mail story about Dundurn Castle, in Hamilton, Ont. Mainly because a century ago it was the residence of Sir Allan Napier MacNab, Laird of Dundurn and one-time Prime Minister of United Canada. It was, of course, the Napier end of it that intrigued us. But in reporting on what is known as the Mystery House, a small building in front of the castle, the story says, "Among other rumors that followed the laird, it is said that here he entertained his business associates with a show of beautiful dancing girls while the wives gossiped in the drawing room after dinner."

It must have been a different branch of the family.

• • •

While we were on vacation this column carried an item presenting a noted physicist's method of making a safety-razor blade last 30 shaves. Writing as one whose forebears thought it unlucky to light the thirteenth cigarette off one match, William M. Gray, Chatham's industrial commissioner says it isn't use but rust that dulls blades. So in his bathroom he keeps a small jar containing a rust inhibitor used in automobile radiators. Into this he dips his blade after rinsing it under the tap—not touching or wiping the steel in any way. He says that by this method he matches the achievement of Physicist Foster of McGill.

Weel, ye ken the noo.

Stop Me If—

The husband was often in the doghouse because he forgot his wife's birthday or their wedding anniversary. He was reading the paper this evening when his spouse, starting to write a letter, looked around for a calendar, saw none and said: "George, do you know what day this is?"

"Easy now, Madge!" he pleaded. "I'd have brought your gift home, but I'm having your initials stamped on it."

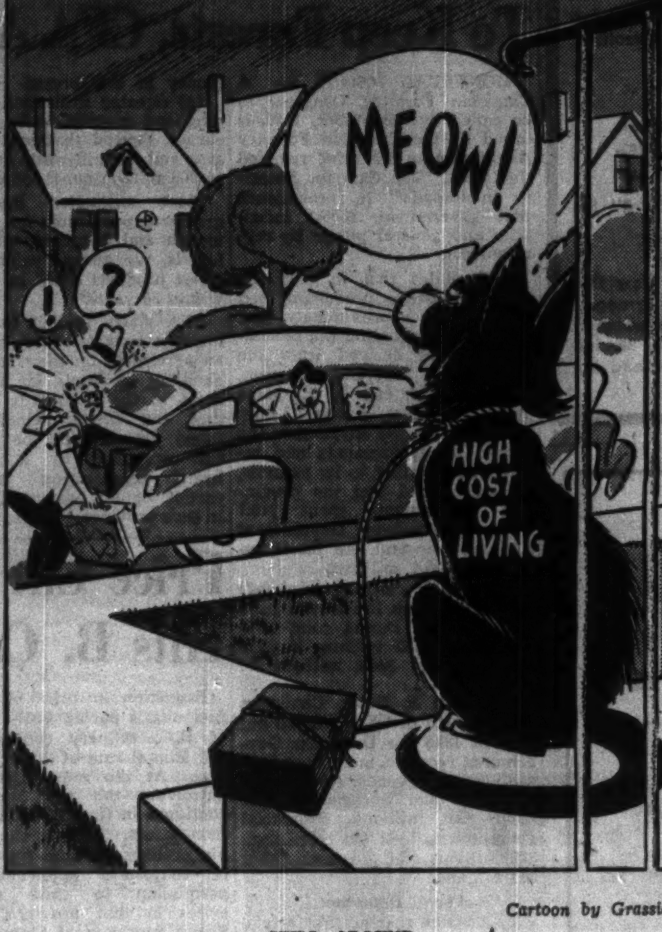
• • •

A man boarded a train at New York and told the porter: "Now, porter, here's $5. I want you to wake me tomorrow morning and get me off this train at South Bend. I sleep heavily, and I'll fight you and tell you anything to go on sleeping, but get me off this train at South Bend."

The porter thanked him and promised the man he'd get him off at South Bend for sure. However, the next day the man woke up in Chicago, with South Bend far behind. He stormed up to the porter, who was talking to the conductor, and told him off in no uncertain terms before he went to get a train back to South Bend.

"My, that man was mad," said the conductor.

"That nothin'," said the porter. "You should of heard the man I did put off at South Bend!"



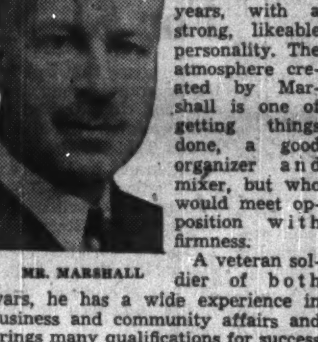
Cartoon by Grassick.

STILL AROUND

Post Scripts

He Heads 'Steamers'

Col. Kenric R. Marshall is the new head of Canada Steamship Lines Ltd., that wide-flung empire of transportation with its fleet of freight and passenger ships on the upper lakes and St. Lawrence River, together with its subsidiaries, which include shipbuilding yards, hotels and docks.



MR. MARSHALL

Rud Marshall has had a colorful career as an industrialist with a well-rounded experience in the transportation, heavy industry and financial fields. His appearance is of one at least 10 years younger than his 60-odd years, with a strong, likeable personality. The atmosphere created by Marshall is one of getting things done, a good organizer and mixer, but who would meet opposition with firmness.

A veteran soldier of both wars, he has a wide experience in business and community affairs and brings many qualifications for success in his new position.

His father, the late Noel Marshall, was an outstanding Canadian, who is remembered as chairman of the Canadian Red Cross Society during the first world war.

Born in Toronto, K. R. Marshall attended public school, Upper Canada College, and business college there. At 17, he entered the coal and dock business of his father (Standard Fuel Co.), which later on included a small fleet of freight ships on the lakes.

On the outbreak of the first world war, Marshall went overseas as a lieutenant in his regiment, the 48th Highlanders, 15th Battalion; was awarded the D.S.O. at the Battle of Somme and later C.M.G.; at the end of the war he was adjutant and quartermaster general of the Canadian Corps under Sir Arthur Currie. In the second world war, Col. Marshall saw service in Canada, and is now honorary colonel of his old regiment. He was honorary A.D.C. to Lord Willingdon during the latter's term as Governor-General of Canada.

In 1921 Col. Marshall succeeded his father as president and general manager of Standard Fuel and its subsidiaries, and actively pioneered the use of byproduct coke in this country, building up a large business during the next 20 years. Between 1930 and 1945, he was called upon by the Government on several occasions to help adjust labor difficulties in the industry.

Early last spring Col. Marshall disposed of his interest in Standard Fuel and subsidiaries and has been devoting his time to various interests. These include president of Canadian & Foreign Securities Co., of Consolidated Fire & Casualty Co. and of Toronto Housing Co.; vice-president of Chartered Trust Co. and in addition director of Canadian Western Lumber Co., Canadian Locomotive Co., Purity Flour Co., Canadian International Investment Trust Co., Federal Fire Insurance Co. of Canada and Wellington Fire Insurance Co.

Col. Marshall's association with Canada Steamship Lines began in 1940 when he joined the board of directors and, for the past five years, has been a member of its executive committee. He is now devoting his time to his new position as president of this company.

A former president of the Toronto Board of Trade, Col. Marshall has just completed his second and last term as president of the Canadian National Exhibition, during two record years. Incidentally his father held the same position in 1916-17. In the long experience of the C.N.E. this is the only time where a father and son both have been presidents. He is president of the St. John Convalescent Hospital and a past president of the St. John Ambulance Association.

In 1943 Col. Marshall succeeded the late George M. Hendrie as president of the Ontario Jockey Club, which runs the King's Plate each year at Woodbine Park. He was also elected an honorary member of the English Jockey Club.

Col. Marshall is also a member of the following clubs: York National, Toronto Hunt of Toronto; Mount Royal, Montreal and United Service, London, England. An Anglican, he is a member of St. Simon's Church.

In his youth, Rud Marshall was well known locally as an amateur boxer, steeplechase rider and polo player. During most of his adult life he has been active in the sport of steeplechasing always having one or two good jumpers on hand. He also takes time off occasionally for fishing.

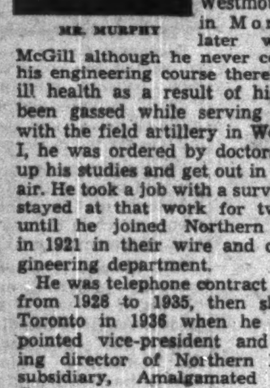
For the past 20 years, Marshall has had a farm near Pickering, Ont., and has been interested in the breeding of Holstein cattle.

He was married to Miss Marion Janet Kirkland. They have one son, Peter.

• • •

Broad Experience

In July, Northern Electric Co. added a new director to its board—a man who's served the company in a variety of capacities for the past 28 years, has been its vice-president and general manager since last year.



MR. MURPHY

He's Martin P. Murphy, 50, a Haligonian by birth but a Montrealer (and part-time Torontonian) for the greater part of his life.

Murphy got his "matric" at Westmount High in Montreal, later went to McGill although he never completed his engineering course there. Due to ill health as a result of his having been gassed while serving overseas with the field artillery in World War I, he was ordered by doctors to give up his studies and get out in the open air. He took a job with a survey party, stayed at that work for two years until he joined Northern Electric in 1921 in their wire and cable engineering department.

He was telephone contract manager from 1928 to 1935, then shifted to Toronto in 1936 when he was appointed vice-president and managing director of Northern Electric's subsidiary, Amalgamated Electric Corp.

Eleven years in Toronto, then back to Montreal as assistant general manager (commercial) of Northern Electric; vice-president and general manager the next year. He also served two years as president of another subsidiary, Dominion Sound Equipment, retiring from that this spring when he became president of Amalgamated.

Fond of golf, Murphy says his game has suffered somewhat lately because he hasn't had a chance to play a great deal. He still shoots in the higher 80's and low 90's, though; says Martin Jr. (now with Bell Telephone in Kitchener) is threatening to overtake him one of these days. There's potential competition as well from two other sons, John and Ross.

The Murphys usually spend part of the summer along the south shore of the St. Lawrence near St. Patrick (there's a nine-hole course nearby). This winter, Murphy plans to take up curling if he can find the time. He's a rugby and hockey fan, also enjoys a variety of reading, preferably non-technical, after hours. He takes an active interest in church activities, is on the board of management of Dominion Douglas United Church in Westmount.

What Others Are Saying

Editorial of the Week

We Can't Ignore Them

Victoria Times

As the editorial columns of this newspaper will bear witness, we detest anything approaching a witch hunt; but conditions in the remaining free countries of the world seem to be approaching a state of which the authorities will be compelled to take official notice.

For example, civic, provincial, and federal governments may, sooner or later, find it necessary to examine the roster of their employees—not on the Kremlin formula, but with the remembrance that one distinguished statesman said the greatest mistake he ever made was when he dismissed Adolf Hitler as a fool!

Other People's Views

EVERYBODY complains about high taxes points out the **Ottawa Journal.** "Yet not a day passes without some deputation coming to Ottawa, or some communication coming to Ottawa, demanding that the government do something or spend something which can only mean higher taxes"

WE ALL PAY for any expenditures of government, federal, provincial or municipal, asserts the **Hanna (Alta.) Herald.** "The expression has often been heard, 'why haven't they this in Hanna, or why haven't they that in Hanna.' By some queer stretch of imagination 'they' is never thought of as you and I, and that if certain recreational or civic facilities are wanted in Hanna, that you and I must be prepared to pay for them . . . There is no 'fairy godfather,' or mother either to come along and plunk down the cash for a new rink. It must come from the pockets of you and me."

THESE ARE BOOM TIMES for farm machinery companies says the **Edmonton Journal.** "Canadian farmers borrowed $11 millions under the Farm Improvement Loans Act to finance the purchase of some 10,000 tractors. Another $5 millions was borrowed to pay for other farm implements and trucks. Besides those who used this government service, there were, of course, many thousands of farmers who financed their buying in other ways. Implement dealers throughout the prairies report handling more farm machinery than ever before."

PUBLIC AWARENESS of the need for caution in the woods is extremely important, states the **Sault Ste. Marie Star.** "Wasteful use of one of our greatest natural resources, and carelessness in leaving fires, which may spread and grow, have cost us dearly. More than 200 forest fires were reported in Ontario and Quebec this season. It is believed that some of these were deliberately set and Provincial Police are seeking evidence. It is safe to assume that just as many or more were caused by carelessness, and the persons responsible actually are just as guilty as those who may have deliberately set fires. Our forests cannot stand public apathy. If it continues we eventually will have no more forests."

DON'T BE MISLED by the big government surplus announced for the first four months, warns the **Winnipeg Free Press.** "Today's high revenues are mainly the product of Canada's gigantic foreign trade, and that trade is far too largely built on conditions now rapidly becoming unstable. More than half our overseas exports for example have been financed by the United States taxpayers through the Marshall Plan. The Marshall Plan has been reduced already, the appropriations which will flow to Canada through our European customers have been cut to about a third of last year's total. Our overseas markets are rapidly diminishing as Europe runs out of dollars. The Marshall Plan will end in 1952. All these things considered, we cannot reasonably regard Mr. Abbott's latest statement as a guide to conditions a year hence."

The Financial Post

Member Audit Bureau of Circulations
Members Business Newspapers Association of Canada

A weekly newspaper reporting and interpreting events for executives in business, the professions and public administration.

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RONALD A. McEACHERN, Editor

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Sept. 17, 1949

LABOR ROUNDUP BY RONALD WILLIAMS

Have Reds Overplayed Their Hand? May Be Forced Into Labor Exile

The question had been raised before in the last 12 months: are the Communists planning to set up a labor federation, separate and distinct from the AFL-TLC and CIO-CCL?

Observers who discounted earlier predictions that they were had just about changed their minds this week. There were definite signs that a major switch in party policy was in the Communist cards.

The Red line for labor may have twisted and turned tortuously in the last few years, but there hasn't been a basic change since 1935. That's when the orders went out to junk out-and-out Communist organizations and federations in favor of infiltration into non-Communist groups.

Accordingly, Canadian Reds disbanded their Worker's Unity League and began weasling their way into the AFL-TLC and later the CIO-CCL.

Events at this week's TLC convention in Calgary and next month's CCL session at Ottawa should tell the story: is a clearly-labelled Communist labor congress in the making?

There have been three definite signs pointing to this. The latest was the unexpected withdrawal of the Communist Seamen's Union from the TLC. Until President Harry Davis made his announcement, the last thing CSU was expected to do was back down without a fight.

True, they had been suspended, and expulsion this week at Calgary was a foregone conclusion. But Davis' explanation that the CSU didn't want to put left-wingers in other unions on the spot just didn't ring true. Never before had the Reds shown any consideration for the position of others. Why should they now?

By linking it up with other moves and development, observers thought they knew why. They thought it stemmed directly from the split in the World Federation of Trade Unions, a sort of United Nations of Labor, founded in Paris in 1945.

Quit World Group

Last January, fed up with the Communist line taken by the WFTU on all matters, including the Marshall plan, the CIO, the British Trade Union Congress, the Canadian Congress of Labor and others, quit it cold.

Last month, representatives of 36 nations met in Geneva to set up an anti-Communist international labor organization. Whether the Reds wanted it or not, world labor was split into two camps. Now it would be easier to tell who was a Red and who wasn't.

Judged by Communist efforts to heal the breach, a split seemed to be the last thing the Reds wanted. Also it went counter to the party line of boring from within. Failing to get anywhere, the Reds got nasty and pulled out all the stops in a campaign to sabotage and discredit the new organization.

This is believed to have been the turning point; the Reds had finally overplayed their hand. Now they were stuck with a clearly labelled Communist organization. Soon the repercussions began to be felt throughout the world as right and left took sides.

Canada's Communist Seamen's Union was expelled from the World Federation of Seamen's Unions. Almost immediately, the Communist WFTU set up a rival; the International Union of Seamen and Dockers. This was the first sign given by the Reds themselves that a change might be coming. Promptly, the CSU and the U.S. CIO's Longshoremen's Union, headed by Communist Harry Bridges, joined up.

Later, 14 Red-line U.S. unions got together in New York. Out of it came the second clear Red sign; the conference had been called to consider formation of new and separate federation of "progressive unions." Significantly, this was followed almost immediately by the third sign: the CSU's unexpected withdrawal from the TLC. Those who watch Communist activity closely know that Canada's C.P., now masquerading under the pseudonym, Labor Progressives, takes orders from New York. The CSU action seemed to confirm this, also that a new separate labor congress might be in the making here too.

In his lengthy statement explaining his unusual decision, CSU President Davis, a veteran Communist, more than hinted at this: " . . . we are hopeful that the time is not far away when the Canadian trade unions will be united in an autonomous trade union centre, free of all foreign dictation and interference (The Reds mean the U.S.), but in fraternal relations with our brothers in the U.S. and that we shall reoccupy our right place in such a united, autonomous and democratic Congress of Canadian labor."

This, believe observers, was the third sign. " . . . we shall reoccupy our rightful place in such a united, autonomous and democratic Congress of Canadian labor." They thought this might even be the name of the still unborn Red organization. If it is coming, the task of Canadian industry, business and the public generally in separating the Red chaff from the democratic wheat will be made a lot easier.

• • •

Elementary Economics

Since Montreal boosted streetcar fares to three for 25c, Toronto's Transportation Commission has been able to boast of the cheapest tram transportation on the continent: four tickets for a quarter.

Last week it seemed the Toronto System may have spoken too soon. The Street Railway Employees' Union was going after 11c an hour raise. That would give operators of one-man cars $1.30 an hour.

Windsor's rate is $1.27½; Vancouver's, $1.25. It has long been the goal of the Toronto union to match these rates. Annual cost of such a boost would run into $1 million, officials said.

This was what had Toronto streetcar users worried. TTC officials had been hinting at a fare increase for two or three years. In Toronto, it's about the only thing that hasn't gone up with the dizzy climb of the cost-of-living. Present contract expires Sept. 30. By then, the fare question should be settled one way or another.

• • •

Red Stays Fired

Dismissal of Communist Steve Anco by the Toronto Massey-Harris Co. was upheld last week in a majority report of an Ontario Arbitration Board. Anco, president of the big CIO Auto Worker's local in the Toronto plant, was fired for "repeated and flagrant violations of the rules laid down by the union contract." His dismissal touched off a three-day wildcat strike. When the men returned to work, the issue was submitted to arbitration.

Anco brought about his own discharge by ordering two employees not to work an emergency overtime shift. His argument: no one should work any overtime when men were being laid off. The men had been asked to help out in packing combines for shipment west in time for the harvest. At the same time, the company was laying men off due to loss of export markets.

Although on the payroll, Anco, a veteran Red, spent all his time on union business (with company approval.) The big question now was: would Anco and his fellow-travellers try to stage a repeat wildcat walkout and if so, would the 4,000 odd-union members, few of whom are Communists, go for it?

• • •

Reds Settle With Increase

While the Communists continue to loudly beat the drums for pay raises on the strength of what they call "record profits," they are quietly renewing wage agreements on a no-raise basis. Last week, the Red-lined AFL Textile Workers re-signed with Montreal Cottons at Valleyfield, Que., with no change in basic wage rates. The chief improvement was a company-finance group insurance plan giving the 3,000 employees covered by the contract and their dependents a $500 life policy each. Basic laborer's wages are 65c an hour.

• • •

Shorter Work Week At Inglis

A two and one-half hour reduction of the work-week for employees of John Inglis Co., Toronto and its subsidiary —English Electric Company of Canada, St. Catharines— has resulted from negotiations between company executives and the CIO Steelworker's union, Inglis management announces.

The Inglis agreement reduces working hours from 44 to 41½ hours per week. English Electric will reduce from 45 to 42½ hours per week. In both cases, the previous rate of take-home pay has been maintained.

Revisions are to date from last July 12. Retroactive wage payments will be made to cover the earnings of the employees affected since that time.

Conditions which existed prior to the signing of the new agreement are being maintained. Employees of both companies have eight statutory holidays with pay and paid vacations ranging from one week after the first year up to three weeks after twenty years' service.

Also continued is the Health Security Plan, under which employees may secure life, accident, hospital and surgical insurance benefits for themselves and dependents. Cost of the plan is shared equally by the company and its employees.

WILLIAM HAMILTON has been appointed general manager of the Advertising and Sales Executives Club of Montreal.

No Pay Raise In B.C. Woods

From Our Own Correspondent

VANCOUVER — British Columbia is breathing easier today over the prospect that there will be no strike in its major industry, lumbering.

And business in general is reassured because there will likely be no wage increase in the leading industry.

Representatives of operators and employees have drawn up an agreement, to be submitted to union members, in which the only sizable union gain is a reduction of 25c a day in the board charge against 7,000 men in logging camps. They now pay $2.50.

The CIO Woodworkers union requested the Provincial Labor Department to call off a scheduled supervised strike-vote until workers can be polled on the joint committee proposals. Only hint of the result is that two other major industries, hardrock mining and pulp and paper, have already settled for no wage increase.

This leaves one major issue to settle in B. C.: Communist-control of the metal mining industry. On Oct. 10, members of CIO International Union of Mine, Mill and Smelter Workers will hold district election.

Last April anti-red candidates won three out of five seats on the district council and also swept local boards. But District Director Harvey Murphy, Communist graduate of Moscow's Lenin Institute declared the elections void because some of the locals were in arrears on their assessments.

Municipal Bonds

Sept. 13, 1949

	Coup. %	Matur.	Bid $	Ask $	Yld. %
Victoria ...	3¾	'55-66	97½	99½	3.78
Vancouver .	3	'67	90¼	92¼	3.58
Calgary ...	3½	'62	98	100	3.50
Edmonton .	3½	'60	98	100	3.50
Regina	3	'64	90½	92½	3.65
Moose Jaw	3-3½	'60	94	97	3.50
Winnipeg .	2¾	'68	93	95¼	3.11
Ottawa	3	'54	101½	103½	2.23
Toronto ...	2¾	'72	93	96	3.00
Hamilton ..	3	'60	99	101	2.90
Windsor ...	2½	'75	72	75	4.05
Quebec	2¾	'66	90	93	3.29
Halifax	3	'66	92	95	3.39
Saint John.	3½	'65	98	101	3.42
Windsor ...	2¾	'75	76	79	4.05
Windsor ...	3½	'75	88	91	4.05
Montreal ..	3	'70	90	93	3.47

Industrial Growth

Panther Oil

Panther Oil & Grease Manufacturing Co. of Canada, affiliated with Panther Oil & Grease, Fort Worth, Texas, has bought a building in suburban Leaside, near Toronto, and is installing equipment and tanks. The Leaside operation will be Panther's first manufacture in Canada. The investment there may be about $500,000. Asbestos-asphaltic roofing compounds for industrial and commercial use and heavy oils and greases suitable for farm and construction machinery are main products to be made. Company has been manufacturing in U. S. for 27 years and has been selling oils and greases in this country for the past six years. A. K. Milne will be in charge of the Toronto plant which will supply expanding domestic and export markets.

• • •

Kitchen Installations

Kitchen Installations Ltd., plans to shift its operations to the Ajax former war plant industrial development east of Toronto. It has leased from Ottawa's Central Mortgage & Housing Corp., about 18,000 sq. ft. to house production of commercial kitchen equipment for hospitals and institutions. About 50 will be employed at Ajax, with production beginning this month. The company moves from a Toronto in-city plant.

• • •

Art Wire & Iron

Art Wire & Iron Co., Toronto, is completing a program that will give it three times its prewar manufacturing space. A new brick and concrete block structure is replacing the former office and factory. This will permit a more modern plant layout for production of steel stairs and fire escapes, metal doors and ornamental bronze work for the building trades.

• • •

Irvine Robinson

Irvine Robinson Co., is erecting a one and two-story factory in Leaside, near Toronto, to be completed in November. The main showrooms and manufacture of upholstered furniture will be located in the new brick and steel premises. This will release other space for additional manufacturing and will double the firm's production capacity.

• • •

Pik Weavers

David Pik & Co., Bradford, England, in Quebec City's St. Malo industrial centre recently began building a new plant, one story, 31,000 sq. ft., steel and brick, to cost about $700,000 with equipment, to employ about 200 at capacity weaving worsted and gabardine cloth. Architect is Lucien Mainguy; contractor, Francois Jobin Inc., at about $200,000. Pik bought the site, about 200,000 sq. ft., from the city last March.

• • •

Richard Knives

A. Richard Ltd., cutlery, knives, Berthierville, Que., has plans for possible early building of a small (under 1,000 sq. ft.) extension to plant, one story, wood and brick.

• • •

Spinners Ltd.

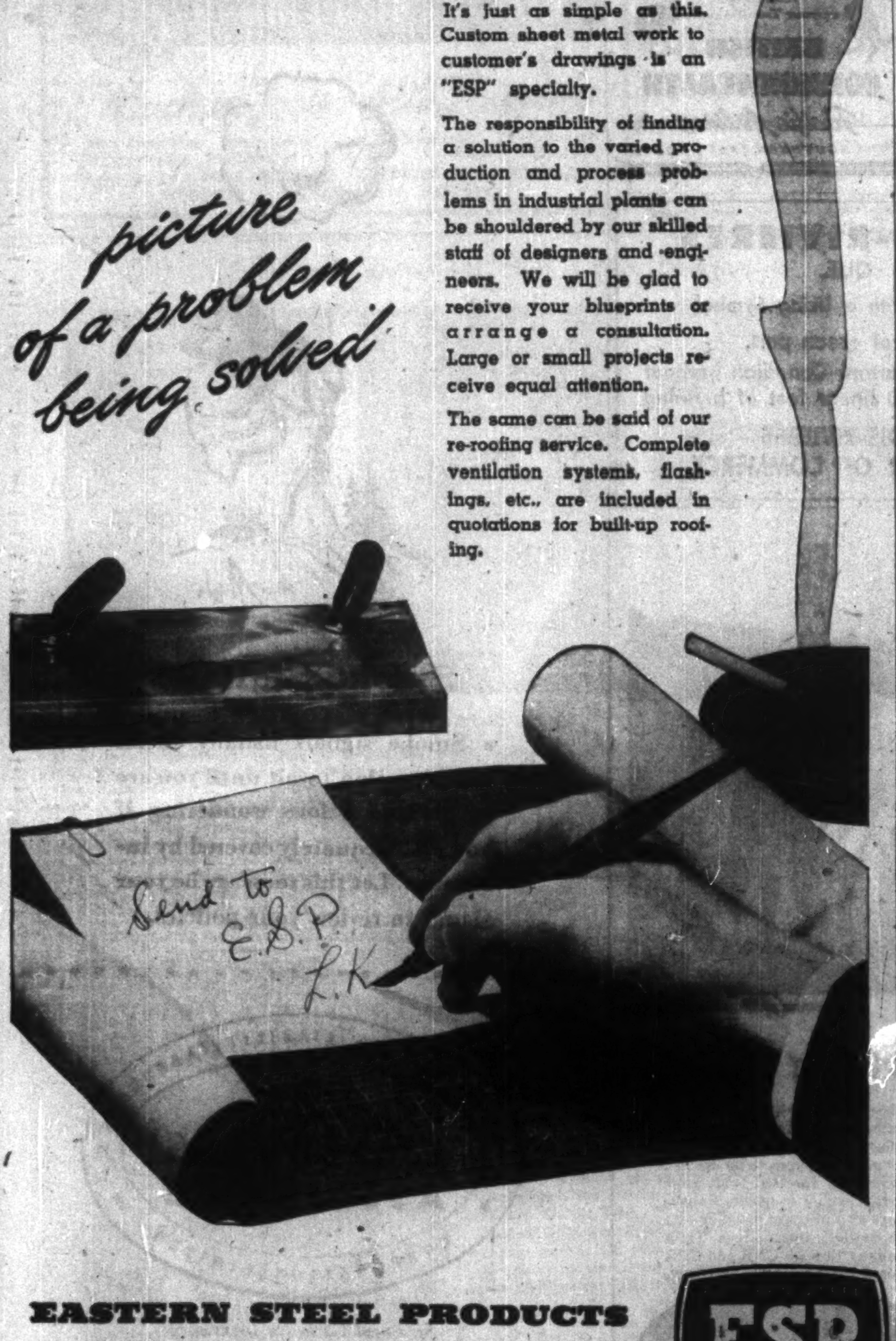
Spinners Ltd., worsted yarns, Huntingdon, Que., is building an addition to its yarn mill, one story, 6,000 sq. ft., about $25,000, with construction work under supervision of Donald McNair.

• • •

Wabasso Cotton

Wabasso Cotton Co., cotton spinners and weavers, Trois Rivieres, Que., has started building a second story on weave shed at about $35,000; contractor, Deakin & Stewart Ltd., Montreal.

At Grand'Mere, Que., Wabasso recently completed a $30,000 addition; contractors, Cheney & Sons.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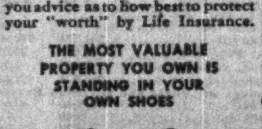

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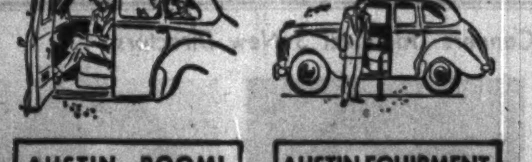
AUSTIN ECONOMY—You save money three ways with the superb Austin A40 Devon. FIRST—on purchase price, SECOND—on gasoline . . . over 40 miles per gallon at cruising speeds, THIRD—on maintenance . . . engineered for dependable performance with less servicing.

AUSTIN BEAUTY—Modern streamlining blended with just a suggestion of Continental influence—a picture of graceful charm. Austin styling sets it apart . . . marks its owner as a person of discriminating taste. See it and drive it—you'll be pleasantly surprised.

AUSTIN RIDING COMFORT—Independent front wheel suspension utilizing coil springs, plus double action shock absorbers with ride stabilizers, provide a smooth, even ride. Low pressure tires cushion road shocks. Wide, deeply-upholstered leather seats give supreme riding comfort.

AUSTIN HANDLING EASE—You just have to drive the 1949 Austin to appreciate its effortless handling, its easy manoeuvrability by finger-tip steering. No side-slip or sway even on the sharpest curves. Hugs the road and travels straight as a beam of light at 70 m.p.h. Easy to park.



AUSTIN ROOMINESS — Surprisingly spacious interior with plenty of leg and head room for all sized people . . . a real family car, loads of room for luggage, too. All space is utilized . . . no needless extravagant frills or exaggerated overhang. It's built for Canadians.

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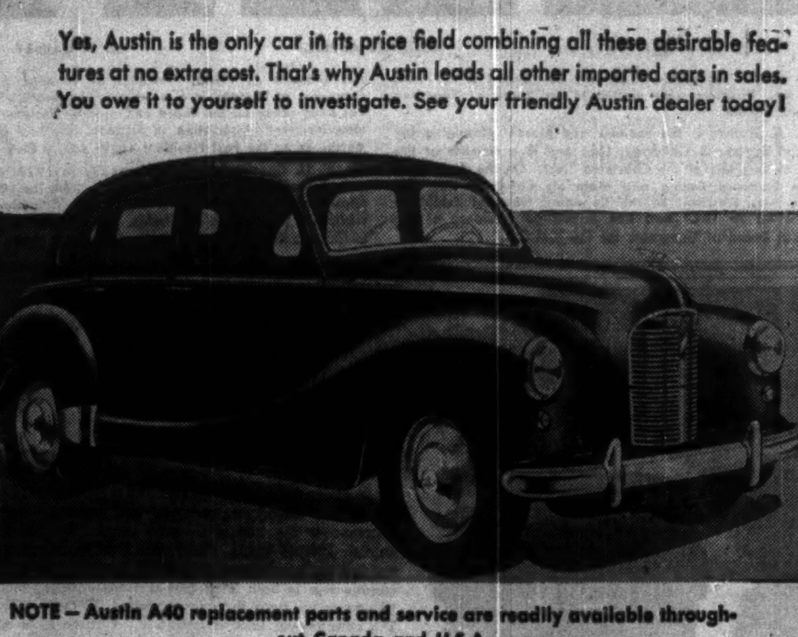

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TORONTO - ONTARIO

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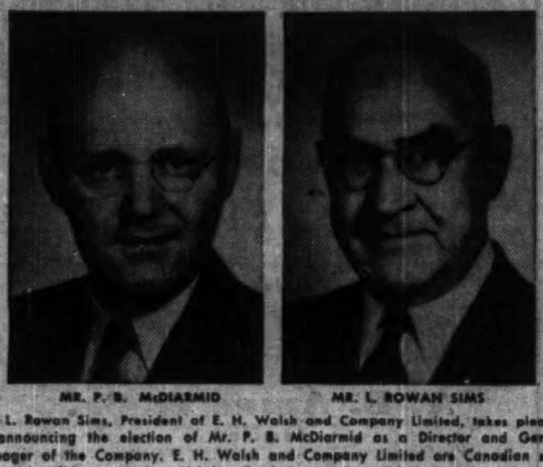
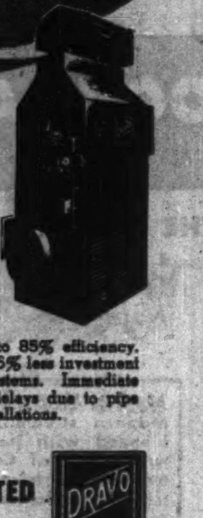


MR. P. B. McDIARMID MR. L. ROWAN SIMS

Mr. L. Rowan Sims, President of E. H. Walsh and Company Limited, takes pleasure in announcing the election of Mr. P. B. McDiarmid as a Director and General Manager of the Company. E. H. Walsh and Company Limited are Canadian sales agents for Chipman, Holton Knitting Co. Ltd., and Butterfly Hosiery Co. Ltd. *

MOST HEATING METHODS *End up* BY WARMING THE AIR WHY NOT *BEGIN* WITH IT?



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Alvin B. Rosenberg, B.A.Sc.
and that the firm will continue
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Canadian Canners Ltd. Elect 3 New Directors

J. A. SCYTHES LEONARD A. PHILIP G. H. GAUSBY

At a special shareholders' meeting on August 3rd, 1949, three new Directors were elected to the Board of Canadian Canners Limited.

Mr. J. A. Scythes is the Founder and present Managing Director of Scythes & Company, Ltd., and is a member of the Board of Directors of the Chartered Trust. On the Directorate of the Standard Paving and Materials Company Ltd., Mr. Scythes was President of the Canadian National Exhibition from 1942 to 1947 and has served as President of the National Board of Governors for the Y.M.C.A.

Mr. Leonard A. Philip, President of Leonard A. Philip & Company, of Toronto, is a member of the Board of Trade and has been active on the Board of Canadian Business Equipment Manufacturers' Association in Canada. He will be well remembered as the Past President of the Rotary Club of Toronto.

Mr. G. H. Gausby joined the Company in 1929 as President and General Manager of Wagstaffe Limited. In 1941 he was appointed General Sales Manager of Canadian Canners Limited, a position he still holds. Mr. Gausby is well known in Canada throughout the wholesale grocery trade. *

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These were laid before the efficiency-seeking businessman at the Canadian National Exhibition's display of business equipment during the past fortnight.

Last week The Financial Post reviewed some of the exhibits. The balance follow:

Seeley Systems Corp. — 40% saving in operator time is claimed for new electric control which, by pressing either of two foot buttons, rotates company's "Cardwheel" equipment backwards or forwards. Chiefly a posting medium, such as for accounts receivable, equipment holds 4,000 of 5 in. x 8 in. cards. Vertical version of "Cardwheel" will hold 50,000 cards in 10 separately-revolving layers, but, since the cards themselves are much smaller, this large number would be used for reference only, rather than posting.

On display for first time was British-made "Findex" which has been used by Scotland Yard for ferreting out criminal records. Business applications are personnel records, pricing, geographical breakdowns, etc. Holes in cards correspond to various classifications, and, by putting rod through file, all cards fitting classification may be extracted.

* * *

Dictaphone Corp. — Shown for first time at CNE was Dictaphone Timemaster which uses vinylite plastic "Memobelt" as recording medium for 15 minutes' dictation. Company says its new equipment is chiefly designed for someone who wishes to mail or file the recording medium; claims older-style wax cylinders will continue in use because of economy advantage in many installations. Timemaster has sub-miniature radio tubes said to make for longer life and greater fidelity.

* * *

Gestetner (Canada) Ltd.—New Model 160, displayed in both business equipment and British products sections, features "Express Inking" device: tube is clipped into position and machine is inked, even while in operation, by pressing lever. Color changing is said to be quick and clean. Automatic counter stops machine at preset number of copies. Design is available either hand-operated or with built-in motor. Company finds CNE response 20% above previous year.

* * *

Thomas A. Edison of Canada Ltd.—Introduced its new "Voicewriter" which records 15 minutes' dictation on unbreakable plastic disc, easily mailed or filed. Selenium rectifier enables it to operate at constant speed on 25- or 60-cycle AC or on DC. Both dictating and transcribing instruments have amplifiers; quick stop and start will split single letter of alphabet; visual electronic tube signal warns against dictating when machine not loaded.

* * *

Ditto of Canada Ltd.—Exhibited its first Canadian-built machine, Model D-10 Direct Process Duplicator, made in new plant near Toronto. By working directly from "master" to copy paper without an intermediate agent, model claims greater economy for short runs; has new type of friction feeder.

* * *

Office Specialty Manufacturing Co. — Making CNE debut was "Rol-Dex," a flat filing cabinet which rolls records before operator in normal sitting position, making it unnecessary for her to leave desk and go to filing cabinet. The system, which claims to speed finding and filing of records, is U. S. design for which Office Specialty has Canadian manufacturing rights. Also introduced is the Churchill Suite, a 9-piece suite of walnut furniture for the executive's office.

* * *

Dominion Safe & Vault Co. — Newest item on display was bank teller's locker, which protects integrity of all parties concerned in handling or checking day's receipts. Each teller has individual locker. Each locker has one lock for which teller has combination; another for which chief accountant or manager has combination. In addition, locker can be padlocked by bank inspector if he goes out for lunch or is called away during checking procedure. Originally designed for bank use, additional applications are now being found in broker's offices, etc.

* * *

Royal Typewriter Co. — Introduces most recent models of "Gray Magic Royal," in both standard office and portable sizes. Standard size has cylinder platen which can be removed by typist without use of tools (often firms find it to their advantage to have more than one kind of platen; different textures are more suitable for stencil work, for general use, and for typing maximum number of carbons on onion-skin paper). Other standard innovations are a clean ribbon change method which allows operator to slip on ribbon without removing empty spool, non-glare keys which fit fingertips, and "Magic" margin which adjusts margin with flick of lever while operator is in normal sitting position. Same keys and margin are found on new portable, now made in soft gray color.

* * *

Private Wire Teletype Service (joint exhibit by Canadian National Telegraphs and Canadian Pacific Telegraphs) — Showing various models which can be installed into office or plant on lease-rental basis, attendants stress speed and "permanent record" advantages in handling office - to - plant communications load, which grows heavier with modern trend towards decentralization. CNE response improved, but move from railway building to office equipment building may be factor.

* * *

L. C. Smith-Corona Typewriters of Canada Ltd.—Showing first electric model of Vivid Duplicating Machine, which claims greater speed and more copies than its predecessors. Off production lines just nine days prior to CNE is 1950 Smith - Corona portable, which adds triple spacing to the single and double which portable formerly had; device which allows typist to return to same line of type after platen has been turned; fingertip margins; and color speed keys. Standard size typewriter has non-glare keys and adjustable touch.

* * *

Pylon Photo Supplies—Exhibits U. S.-made "Telemagnet," device which answers telephone with recorded message while you're out, takes caller's message on magnetic wire. Also shown is "Sound Magnet," which takes one hour's recording on wire for home or office use; can record simultaneously from disc and microphone.

* * *

Monroe Calculating Machine Co.—40% faster action on posting run is claimed for new bookkeeping machine. New model of electric adding machine, Model 410, has more rapid action, particularly on totals, as well as softer touch on keys. Automatic calculator, in pilot model a year ago, is now in production, though quantities limited by import control.

* * *

Kingsway Film Equipment Ltd. (Toronto)—Exhibits "Tape-Riter," new dictation machine made by Ritchie Recorders Ltd., with head office in Montreal and factory near Toronto. This cartridge-loading instrument takes ½-hour dictation on a magnetic tape; is self-erasing; can be used for recording interviews, conferences, telephone conversations, etc. For home use Kingsway is exhibiting U. S. - made Revere Tape Recorder.

* * *

M. F. Hofstetter Ltd. (Toronto)—Newcomer to the CNE, this importer exhibited seven lines of European-made business equipment. Newest addition is adding machine, made by Olivetti in Italy. Other lines represented are Addo-X, Dixi, and Odhner (Swedish); Hermes and Madas (Swiss); and Empire (British).

* * *

Grand & Toy Ltd. — Two new furniture designs for the executive's office are shown: the Chippendale Executive and the modern Executive Rols-Rim suites. Both are available in nine pieces.

* * *

Mitchell-Houghton Ltd. — For executive's office, a four-piece mahogany suite was added to line, just prior to CNE. Also shown is steel furniture for general office use. Finds CNE response about same as last year.

* * *

Wilmar Trading Co. (Montreal)—New to CNE, this exhibitor is sole agent in Canada for two British firms: C. W. S. Dudley Office Equipment Co., makers of steel office furniture as well as shelves, lockers, etc. for plants; and D. Inglis Products Ltd., makers of upholstered tubular steel chairs.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

WILLSON STATIONERS & ENVELOPES LTD. net profit for the year ended April 30, 1949 was up narrowly at $251,231 ($240,625). There was an increased volume of sales in all companies.

Some difficulty is being experienced in maintaining sales increases recorded in the last two or three years but the demand for equipment and company merchandise is still good, the annual report states. During the year a suitable retail location was found for the Fort William division and a new division was opened at Port Arthur.

CONS. INCOME ACCOUNT

Years Ended Apr. 30:	1949	1948
Net earnings	$458,386	$445,850
Less: Deprec.	34,717	31,065
Inc. tax, etc.	138,034	162,023
Pension fund	34,404	9,724
Org. exp. w/o	......	460
Invest. adj.	......	1,962
Net profit	251,231	240,625
Less: Pref. div.	20,000	20,000
Less: Subsid. port.	3,833	3,785
Surplus for year	235,064	224,410
Earnings per Share and Dividend Record:		
Preferred	$77.93	$74.20
Paid	5.00	5.00
Common	4.70	4.49
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Apr. 30:	1949	1948
Cash	$113,230	$68,811
Accts. rec.	418,495	333,497
Inventories	936,303	823,331
Total curr. assets	1,468,028	1,225,639
Prep. exp., etc.§	12,127	4,635
Refund. EPT	36,024	66,700
Invests., etc.	121,268	118,235
Fixed assets*	431,908	421,054
Goodwill	......	19,317
Total assets	2,069,355	1,855,589
Bk. loan & overdraft	9,773	26,541
Accts., tax., etc., pay.	323,176	360,080
Total curr. liab.	332,949	386,621
Deferred liabs.	74,264	76,985
Capital stock	597,400	599,300
Capital surplus	21,032	21,032
Distrib. surplus	39,509	39,509
Earned surplus	1,004,201	732,133
*After depr. of	426,202	392,269

§Incl. in curr. assets in co's report.

NEW DICKENSON MINES LIMITED

•

One of the most interesting new producing gold mines in the Red Lake area is now responding favourably to the present development program.

•

As sponsors and financial underwriters of this Company, we recommend the immediate purchase of New Dickenson Mines Limited shares. A prospectus is yours for the asking by writing or phoning to this office.

•

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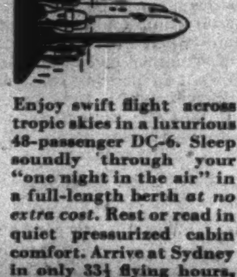

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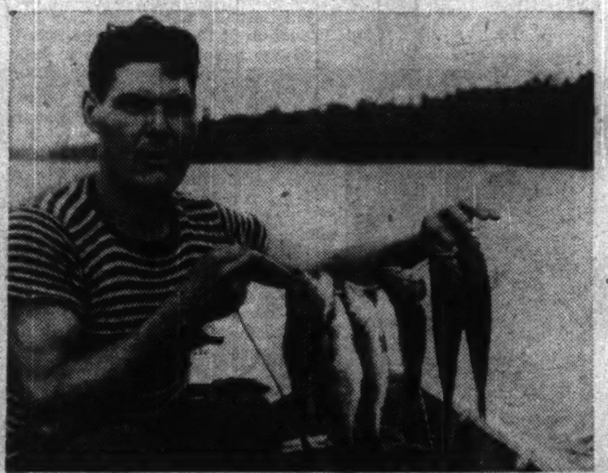

A morning's catch at Lake Timagami

Best of Sport AT TIMAGAMI

Four million acres of unspoiled woodlands and lakes—this is Timagami. If you're a fishing or canoeing enthusiast, you'll find here sport as varied and exciting as you wish. Canoe trips of 200 miles and more are possible in waters where the giant grey trout runs to 30 lbs. . . . where small-mouth bass, pike, pickerel and speckled trout grow large and plentiful. There's seaplane-taxi service to remote waters, plus excellent storage garages for cars at Timagami Landing—on highway No. 2, a day's trip from the Southern Ontario area. Train service too, by Ontario Northland Railway through CNR and CPR connections at North Bay. For full particulars write the Secretary, Board of Trade, Timagami, Ont.

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LET'S MAKE THEM WANT TO COME BACK!

ROYAL BANK APPOINTMENTS

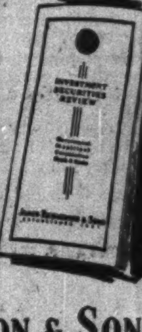
J. L. LAWSON C. B. CLARK

Appointment of C. B. Clark as Supervisor of Banking Arrangements for The Royal Bank of Canada is announced. He succeeds J. L. Lawson who has been Supervisor of the Department since 1926 and who retires on pension October 1. Mr. Clark has had a wide and varied experience in the field of international banking and during the past three years has travelled widely on special assignment for the bank through all parts of the United States, to Britain, Europe, Africa, the Antipodes and China. Mr. Lawson is widely known in banking circles in the United States and Europe. He has been a member of the Association of Reserve City Bankers since 1931 and active for many years in the affairs of the Banker's Association for Foreign Trade. *

Shareholders of
ALUMINIUM LIMITED
will be interested

The September issue of our "Investment Securities Review" contains a concise report upon the affairs of Aluminium Limited. A copy will be sent to shareholders and other investors on request.

"Investment Securities Review"



This Review also shows at a glance the approximate prices and interest or dividend income from Canadian Government, Municipal, and Corporation Bonds as well as leading Industrial Preferred and Common Stocks and Mining and Oil Companies' shares. A very handy ready reference for investors and "traders". Write for a copy.

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Wider Horizons For Western Canada Oil Opened By Imperial's Pipeline Drive

(Continued from page 1)

perial Oil is negotiating with other Canadian and U. S. oil companies to sell them some equity in the line by purchase of debentures and common stock. Negotiations have not been completed and are said to be in a state of flux at present. Only those companies which would guarantee to use a certain amount of oil put through the line have been approached. Where they also have crude available in Western Canada, it is understood they are being asked to sign an agreement to ship via the pipeline under contract.

Prices currently being discussed for the bonds are understood to be a 3.50% basis for the Canadian issue and a 3.375% for the U. S. issue. Subscriptions are to be payable in three instalments: 25% on Jan. 1., 1950, 50% on Apr. 1, 1950 and the balance on July 1, 1950. Purchasers are to receive a stand-by fee at the rate of ½ of 1% per annum on the unused portion of the money from Oct. 1, 1949 to date of delivery, The Post understands.

Offering price for the 4% debentures is expected to be par.

Holders of the bonds and debentures will have a virtual guarantee of Imperial Oil Ltd. although not an actual guarantee by reason of Imperial's arrangement with Interprovincial. Under this, Imperial will ship through the pipeline during each calendar year beginning with 1951, at Interprovincial's regularity published tariff rates, sufficient crude oil to provide an average of 59,673,000 barrel-miles daily (21,780,595,000 barrel-miles per year). If in any year shipments fall below the daily average, Imperial will make up the amount of the difference in revenue. Imperial will further agree to take up promissory notes from Interprovincial if it has not enough money to service the debt.

The line will be operated as a "common carrier." This means other oil firms will be able to use it. Freight rates have been set at 4.785c per 100 barrel-miles. That's about a nickel a mile for every 100 barrels. The line will operate under the Board of Transport Commissioners but its rates are not subject to review, as are railway rates, it is stated.

This means it will cost about 55c to ship a barrel of crude from Edmonton, Alta. to Superior, Wis. through the line against $1.86 by railroad tank car.

Construction Details

To construct and operate the line, Imperial incorporated its associate firm, Interprovincial Pipe Line Co. last April. President is Dr. O. B. Hopkins, veteran Imperial geologist and an Imperial vice-president, who really discovered the Alberta field. His right hand man and executive vice-president will be Lorne F. Kahle, president of Interstate Oil Pipe Line Co., one of the largest in the U. S. He has been granted 18 months leave of absence to take charge of construction of Interprovincial's line.

It is estimated the line will actually cost $85 millions. An additional $5 millions will be required for working capital, bringing the total cost to $90 millions.

The Edmonton to Regina section (450 miles) scheduled to be finished by fall, 1950, will be 20 in. pipe;

Regina to Gretna, Man (340 miles), 16 in.;

Gretna to Superior, Wis., (360 miles), 18 in.

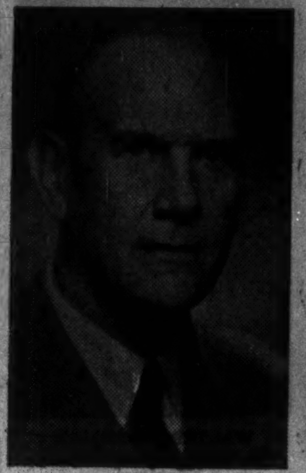
One reason for the drop in the size of pipe at Regina is that about 25,000 barrels a day will be diverted there.

As plans now stand, Imperial eventually expects to also tap the line at Gretna to supply Winnipeg and also at Scarth in Manitoba to supply Brandon.

Imperial already has a refinery at Regina and an operating agreement with North Star refinery in Winnipeg. This week, Imperial announced its intention to build a new refinery at East St. Paul, seven miles north of the city on a 400-acre property recently purchased. (See story page 5.)

Need 170,000 Tons of Steel

Orders for pipe for the entire line have been placed and all deliveries should be completed by the third quarter of 1950. About 170,000 tons of steel will be required. Steel Co. of Canada is rolling the special steel at Hamilton (the widest rolled in Canada) and Page Hersey Tubes is doing the fabricating.



Dr. O. B. HOPKINS

LORNE F. KAHLE

More than 400 miles of the route have already been surveyed. Between 1,000 and 1,500 men will be employed for 150 days on actual construction. Work will be underway at as many as 10 different places at once. Contractors will require $500,000 worth of equipment.

Initial capacity from Edmonton to Regina will be 95,000 barrels a day; east of Regina, 70,000. Plans call for six pumping stations along the route; four in Canada, one near the Manitoba-North Dakota border and one in Minnesota. Additional stations can be added as required to increase capacity.

Terminal facilities at Superior will include loading docks for lake tankers plus storage tanks. Preliminary plans call for shipment of 57,000 barrels a day by tanker to Canadian refineries. The storage tanks will be built to accumulate oil during the closed navigation season and will have a capacity of at least one million barrels.

A wholly-owned U. S. subsidiary of Interprovincial, Lakehead Pipe Line Co. Inc., will own and operate all facilities in the U. S. and will issue to Interprovincial first mortgage bonds to meet the entire cost of these facilities.

Route Differences

First stage of the line from Edmonton to Regina was approved by the Board of Transport Commissioners last June 10. Approval of the second leg came this week. No permit is required for the final 360 miles from Gretna through the U. S. to Superior.

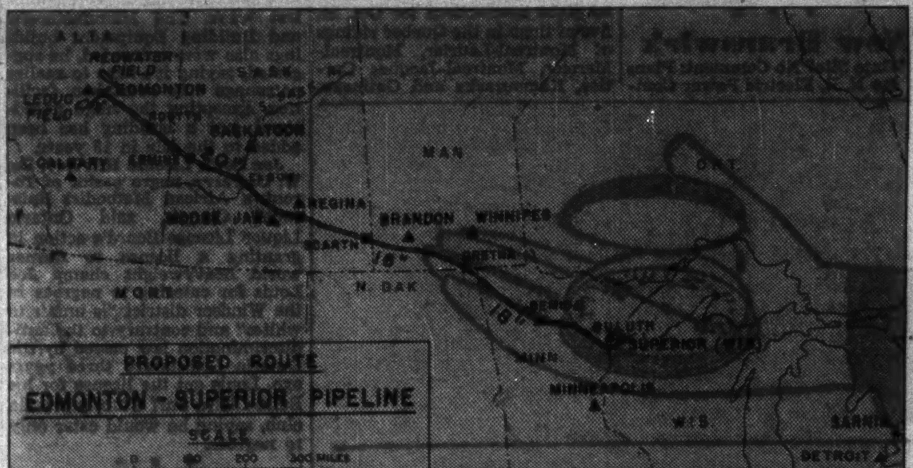
Choice of the route through the U. S. is the only bit of sand in Imperial's oil. Port Arthur and Fort William are up in arms. They feel the line should have terminated at the Lakehead instead of in the U. S. There has also been a bit of clamor in Winnipeg because the line wasn't routed through that city.

In making the pipeline announcement, Dr. Hopkins said the choice of the U. S. route was indicated by substantially lower costs than would have been possible over any Canadian route.

It was estimated that it would have cost another $10 millions to build the line to Port Arthur and another $6 millions to route it through Winnipeg. In addition, annual charges would be about $400,000 more in extra pump stations, etc.

Imperial's reasoning is that its task is to bring Alberta oil to the Eastern market as cheaply as possible. That means a trunk pipeline along the shortest route. The distance to the U. S. lakehead is shorter than to the Canadian. Moreover, the country is generally flat while much of the land between Winnipeg and Port Arthur is rugged, broken and studded with lakes and muskeg, making construction immensely expensive.

All that remains now is to get the line built and for Interprovincial to get a license from the Department of Trade and Commerce to export crude. The one is a foregone conclusion, the other is taken for granted. Early in 1951, Eastern Canadian motorists and oil users should be running their cars, furnaces and plants on Alberta oil.



Imperial Oil's associate firm, Interprovincial Pipe Line Co., this week got its application approved by the Board of Transport Commissioners for 340 miles of pipeline from Regina to Gretna, Man. With the 450-mile stretch from Regina to Edmonton already approved and no permit required from Gretna over U. S. territory to Superior, Wis. (360 miles) Interprovincial was ready to go ahead with its $90 million, 1,150 mile line.

Clarifies Status Peace Delegate

A letter to the Editor from E. A. Corbett, director, the Canadian Association for Adult Education.

In the Sept. 10 issue of The Financial Post you carry an article by Ronald Williams in which delegates to a peace conference in Mexico are listed. Among them is Miss Idele Wilson who is described as "Research Director Communist run, C.I.O. Electrical Workers; Executive member Canadian Adult Education Association." May I say that Miss Wilson has never at any time been a member of the Executive of the C.A.A.E.

It is true that Miss Wilson was, for a time, a member of the Editorial Board of our monthly magazine "Food for Thought" but following a directive from our Executive she was asked to resign.

Ontario to Buy Mattawa Bonds For Mun. Aid Plan

The Government of Ontario moved last week to implement its plan to assist small municipalities in financing necessary public improvements.

Municipal Affairs Minister Dunbar announced that the province would take up a $135,000 debenture issue of the town of Mattawa. Proceeds are for a waterworks and sewage disposal system.

The town had offered the issue to private financial institutions but the best price they could obtain was 93c on the dollar.

The province is not only paying the full dollar value of the issue but the interest it is charging will be considerably less than the 4% rate now prevailing in the open market, Mr. Dunbar said. Actual rate will depend on the Legislature, The Post understands.

The Municipal Board approved the Mattawa debenture issue after the Department of Health ordered the town to put in the system some weeks ago. Because of the urgency of the town's need, the government decided to advance the money immediately, and before the $50 millions crown company —Ontario Muncipal Improvement Corp.—had been set up and approved by the Legislature, (The Financial Post, Sept. 3).

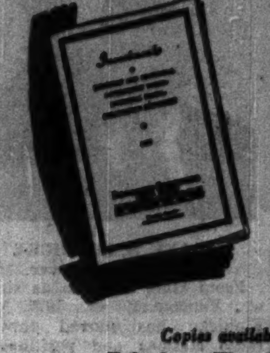
F. C. Russell of Canada Includes Macotta Co.

President Frank C. Russell of F. C. Russell Co., Cleveland, announced a new company to be known as F. C. Russell Co. of Canada is being incorporated under joint ownership of his firm and the Macotta Co. of Canada, Weston, Ont. Macotta will handle active management. Its officers are F. G. Engholm, president; R. A. Engholm, general manager; D. E. Lundborg, general superintendent.

The new Canadian company is seeking manufacturing space in the Toronto area of from 8,000 to 15,000 sq. ft., and to engage about 75 workers initially. Russell of Canada, under license from the Cleveland firm will make all Russell products in steel slide windows, steel screen and storm sash and venetian awning. Russell in United States has an annual sales volume put at $15 millions from four Ohio plants, at Cleveland, Columbiana, Pandora and Conneaut.

GRANBY has sold $463,500 of 2¾-3% serial 20-year bonds at a price of 97.72 to a syndicate composed of Dominion Securities, A. E. Ames & Co., Canadian Bank of Commerce; net cost of 3.188%. Proceeds are for waterworks, sewers, pavings and debt consolidation. This is said to be the most advantageous financing this year on the Quebec municipal bond market.

Suggestions for
SEPTEMBER INVESTMENT



Successful investment requires constant study and alertness. It is by taking advantage of opportunities to make suitable changes in securities—to make money work harder—that investments succeed.

Our September booklet *Investments* contains offerings of a broad list of bonds and stocks which will assist you in Making Your Money Work Harder.

Copies available on request
Telephone Waverley 3681 or write

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50 King Street West, Toronto.

TOWN OF LASALLE has sold $170,000 of 3,3½% serial 20-year bonds to A. E. Ames & Co. at a price of 98.13; net average interest rate 3.449%. Proceeds are for extension to a school.

ST. SIMON-de-DRUMMOND has sold $205,000 of 3½% serial 20-year bonds to McNeil, Mantha Inc. for a price of 96; net average interest cost of 4.061%. Proceeds will be used for the construction of a school.

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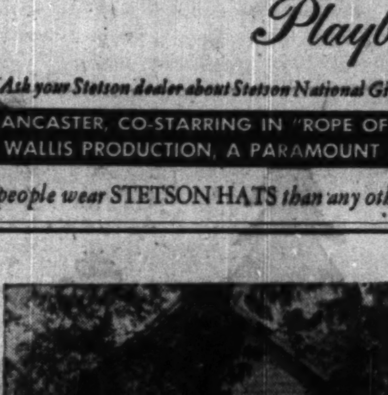

Do You KNOW What is in Your Home?

If not, we suggest you make a careful inventory of the furnishings—furniture, rugs and drapes, pictures, clothes, books, dishes, silverware—the dozen and one articles you have added to the original furnishings . . . and make certain they are insured on present values.

Then, of course, see that the house is insured on today's replacement costs.

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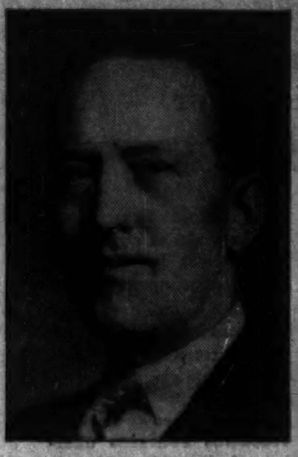
H. G. FLOWER, *Assistant Manager for Canada*

Here Are Men Who Will Conduct Community Chest Campaigns

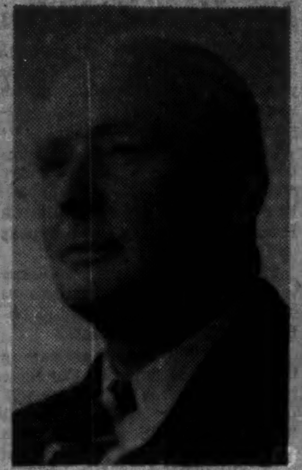


TREVOR MOORE
Greater Toronto

At 44, Mr. Moore is youngest chairman ever to head Greater Toronto's Community Chest campaign. English born, graduated from University of Toronto in 1928, joined investment firm of McLeod, Young, Weir & Co., became vice-president in 1944. Director of an investment trust and three industrial concerns, he is chairman of the board, Toronto Better Business Bureau. Was active in Victory Loans, serving as vice-chairman of sales for Ontario for two years. Married and has two children.

FRANK H. ELPHICKE
Greater Vancouver

From start in radio as singer at Vancouver in 1924, Mr. Elphicke has moved through radio stations and positions in Calgary, Edmonton and Winnipeg to present post as manager, CKWX, Vancouver. He's former director, Canadian Association of Broadcasters, a past president of Western Association of Broadcasters. Was general chairman, 1949 convention of Advertising Association of the West. Community activities include chairmanship of Rotary Ice Carnival last year. Member Board of Trade, Shaughnessy Heights Golf Club.



J. FRASER McCLELLAN
Moose Jaw

Born in British Columbia, educated in Toronto, has been a resident of Moose Jaw 42 years, with CPR nearly 40 years, is now railway baggageman. Served overseas in First World War with 46th South Saskatchewan's (his father was in same regiment). Elected to Moose Jaw City Council a representative of organized labor in 1940; was mayor for four years. Life member, American Federation of Musicians; organized and directed band of King's Own Rifles of Canada for 10 years; is member of Canadian Legion and Masonic order.

ERIC A. LESLIE
Montreal Welfare Federation

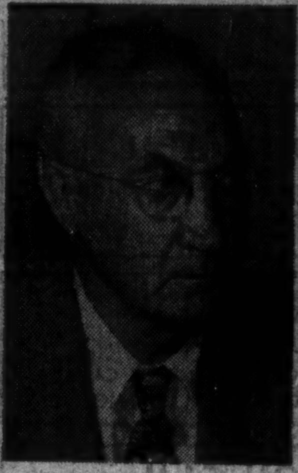
Vice-president and Comptroller of the CPR, Mr. Leslie was educated at McGill, served with Royal Canadian Artillery in First Great War, joining CPR in 1919 as clerk and rising (in 1943) to post his father had held previously. Is representative of Graduate's Society on McGill's Board of Governors; while president of society played major part in successful world campaign for McGill War Memorial Fund. Clubs include University, Canadian, Canadian Railway and Kanawaki Golf. He's married, has three sons and one daughter.

WALTER FRIEDMAN
Combined Jewish Appeal, Montreal

Executive director of the Clothing Manufacturers Credit Bureau, serving the industry in Quebec and Ontario, Mr. Friedman is also secretary of the National Council of Clothing Manufacturers of Canada. He has managed the resettlement project by which 2,000 immigrant tailors, war victime, have been brought from Europe. Other community activities include service as a board member, Jewish Vocational Service and the Jewish Child Welfare Bureau, and past treasurer, Young Men's Hebrew Association.

JOHN GAULD LANGS
Hamilton

An ardent sportsman (president Hamilton Tigers Football Club for past three years) Mr. Langs is Hamilton-born, educated at University of Toronto and McMaster and graduate of Osgoode Hall. Was member of Hamilton Central Collegiate's championship track team, represented school in half-mile at Philadelphia Penn games. Was active in Victory Bond organization during the war, president of Eight-Point Club for sale of bonds to Industrial Employees, and brought Hollywood celebrities to help in campaign.



IRA P. MACNAB
Halifax

Maritimes-born and educated Ira P. Macnab is general manager, Halifax Public Service Commission; was formerly manager, Venezuela Power Co., Maiacaibo, and construction engineer on steam power plants at Monterey, Mexico. Member Engineering Institute of Canada and N.S. Association of Professional Engineers, community interests include membership on governing boards of universities he attended (Mount Allison and N. S. Technical College), in Kiwanis and Commercial Clubs, and former chairman, Civic Planning.

R. F. OGLETREE
Greater Winnipeg

Assistant manager of Credit Foncier, Winnipeg, Mr. Ogletree is immediate past president of Manitoba Mortgage Loans Association; served overseas during the Second World War as major with the Royal Winnipeg Rifles. Born and educated at Portage la Prairie, Man., his hobby is shooting. He's a member of Portage Country Club, Southwood Golf Club and Manitoba Club. Joined Credit Foncier at the end of the war; is married and has one daughter.

Provincial Roundup

Significant events in public affairs and business in the Canadian provinces

Newfoundland

Opposition Whets Knife: Vigorous clashes are expected between the Liberal Government of Premier Joe Smallwood and the Progressive Conservative opposition when the legislature sits again Oct. 3 after a seven-week holiday. Major measures to be introduced will include the controversial proposal for establishment of fishermen's and co-operative development loan banks, in line with general government policy to encourage extension of the co-operative movement. Expected, too, are measures for fishermen's insurance, workmen's compensation, creation of a public utilities commission, commissions of research, conservation, hydro-electric development and changes in the alcoholic liquors act. High also in the list of pending legislation is the proposed tax rental agreement with Ottawa.

Threatens "Profiteers": Stern warning came from Premier Smallwood that the Government will use "every last ounce" of its legal power to "take the hide off" anyone who, "in profiteering, is exceeding normal percentages of business." The threat was voiced in a speech before the Newfoundland Young Liberals Association. Mr. Smallwood promised his government will resign if it can't enforce a fair profit rule in business.

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Prince Edward Is.

Maritime B. of T. Coming: Charlottetown will be host Sept. 29-30 to the Maritime Board of Trade annual meeting. There are 95 boards of trade and chambers of commerce in the Maritime Provinces, with membership about 8,000.

Porkers in Spotlight: P.E.I. swine are still making news in the agriculture world. Eighty head from 18 Island breeders were loaded for Iowa. Word came from Regina that porkers bought in P.E.I. took top honors at the recent livestock exhibition there. Popular type is the Yorkshire, with P.E.I.'s geographical insularity said to to be helping control quality in buying and breeding.

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Nova Scotia

Scots Firms Coming?: "Several" industrial firms in Scotland, not identified, are said by industry promotion officials to be closely watching progress of Thistle Knit Wear's new mill in Dayton, near Yarmouth. It's the proposed 50-hand operation of Sol Gilis, a Lithuanian who escaped to Scotland early in the war when his country was under German control and who, in leased premises at Dayton, now awaits machinery and key technicians from Scotland. Yarmouth board of trade and municipal council, like Mr. Gilis, are betting on Thistle and think it may be forerunner of other small industry branch plants from the same source.

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New Brunswick

Minto Site? No Comment: Plans of the N. B. Electric Power Commission to build a $2.2 millions steam-electric generating plant have been postponed but not abandoned, a member of the commission said. He refused to comment on a report that an alternative site at Minto is being considered instead of Grand Falls. Some favor the Minto location as being nearer coal. Existing Grand Falls plant has two steam turbines producing 12,500 kilowatts. There is another at Grand Lake, near Minto, with four steam turbines producing 27,500 kilowatts.

Continue Coal Subsidy: A two-month extension of this summer's special subventions has been granted Minto-Chipman coal operators, Dominion Coal Board Chairman Wilbur Uren disclosed in Fredericton after the Board had surveyed the field. Its one-day visit to New Brunswick producing areas was the wind-up of its annual survey of all Canadian fields.

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Quebec

Miniature General Election: Prime Minister St. Laurent called eight by-elections for Oct. 24, five of them in the Quebec ridings of Montreal-Laurier, Montreal-Mercier, Montreal-Jacques Cartier, Kamouraska and Gatineau. The others are in New Brunswick's Restigouche-Madawaska, Ontario's Toronto-Greenwood and B. C.'s New Westminster. Vacancies resulted from two deaths and three appointments since the June 27 general election. Contests are considered likely in all the "bys," maybe grim fights in some, though that isn't usual so soon after a general election.

Houde Hits Back: Montreal's big, jaunty Mayor Camillien Houde in a Superior Court action asked that J. Adrien Meunier, his Liberal opponent, be declared guilty of malpractices in the June 27 federal election, in which Houde was returned for Papineau riding. Meunier earlier took an action to unseat Houde on allegations of election irregularities.

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Ontario

New Buildings for "the Ex?": New Women's, Press, Food Products and Electrical buildings were forecast for the 365-acre Canadian National Exhibition by Col. K. R. Marshall, retiring president in a speech at closing ceremonies last week. The Manufacturers' and Building Equipment buildings also were outmoded, he suggested, saying it's time to realize patronage has overtaken facilities. Excepting the huge grandstand, not a building has been added to the fair in 13 years.

Joe Louis License Hit: Rev. Dr. W. C. Perry, negro pastor of Toronto's African Methodist Episcopal Church, said Ontario Liquor License Board's action in granting a license to former world heavyweight champ Joe Louis for catering to negroes in the Windsor district "is unfair to whites" and contrary to the anti-discrimination law passed by the Ontario Legislature three years ago. Louis got the license for his Belle Claire Surf Club, a private club, saying he would cater only to negroes.

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Manitoba

Phone Backlog 16,000: Manitoba Telephone System's unfilled applications for service number 10,000 in Greater Winnipeg, 6,000 outside, despite a heavy continuing program of installations.

Parking Meters for 'Peg: Winnipeg city council awarded contract to Mi-Co Meter Canada Ltd., Montreal, for supply of manual meters costing $62.50 cash or $67 by installments each. Extensive tests had been made on sample meters supplied by four bidders, including violation, shock, rain, sleet, high and low temperature. Total cost at the cash rate will be $19,187.

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Saskatchewan

Doesn't Want to be Mayor: John O. Probe, defeated CCF candidate in Regina in the June 27 federal election, said he "would decline to run" as a candidate for mayor in the civic election Nov. 2. He was commenting on a rumor he might run for that office in the municipal election, to be contested this year by the Regina CCF organization whose candidates will replace the Co-operative Labor League in civic politics.

$480,000 Fur Sale: Total value of eight sales held since Oct. 1 by the Saskatchewan fur marketing service topped $1.5 millions by nearly $60,000, according to Manager Adam Cooke. Last sale of the season grossed a record $480,000, with attendance the largest in recent years. Muskrat (270,053 pelts) and beaver (6,408) offerings were particularly large. Increase in volume of pelts offered is reason for the large money volume of 1949 sales, despite price decreases up to 50%.

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Alberta

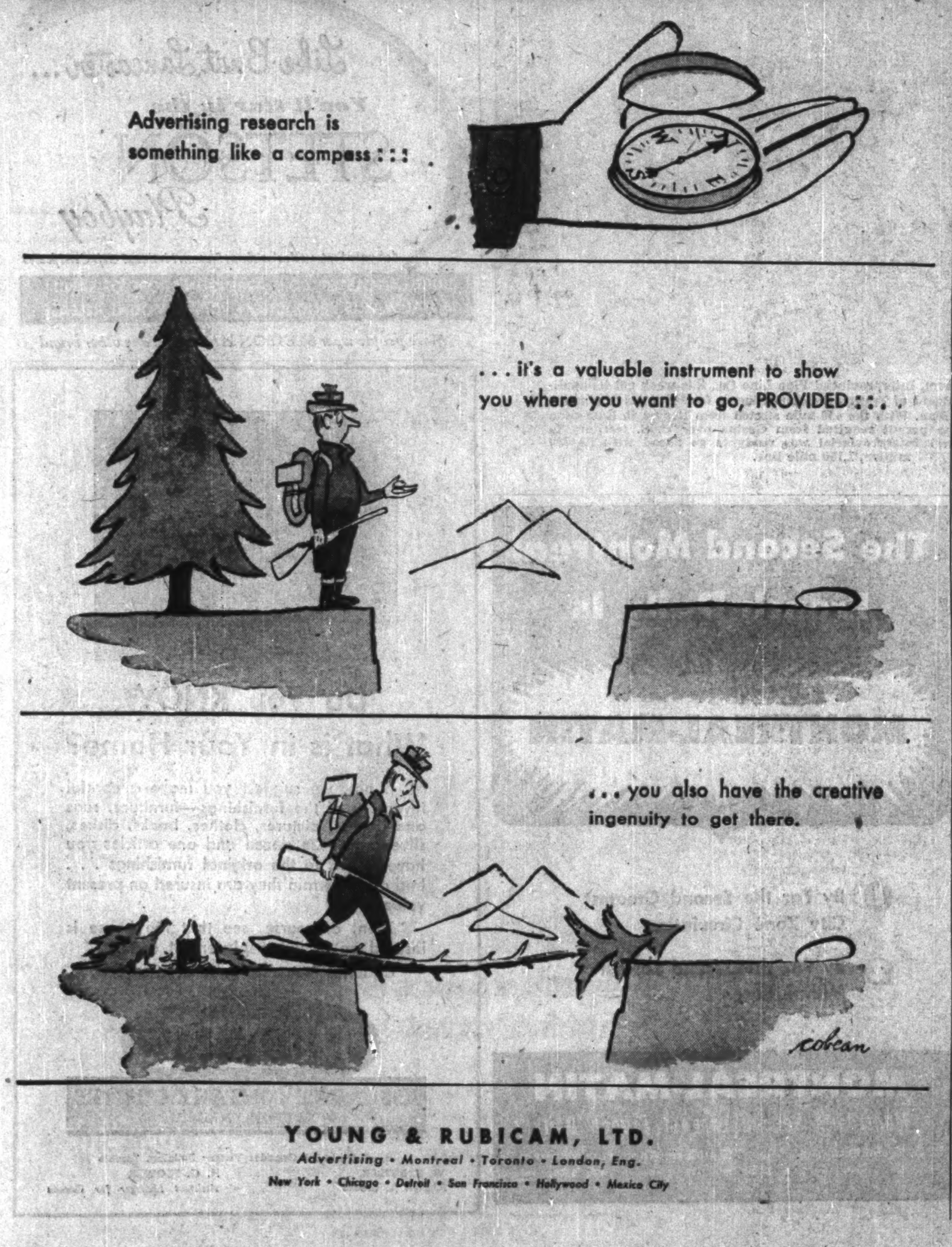
Fifty Alberta Lotteries?: Canada's Criminal Code prohibits lotteries but "ingenious people" have found they can get around the law by operating as a game of skill and there are from 40 to 60 such lotteries operating in Alberta. So said Attorney-General Lucian Maynard at the Canadian Bar Association convention in Banff, disclosing his government plans to take action on laws concerning operation of lotteries unless the problem is resolved by Ottawa.

Building in High Gear: Edmonton expects a record $35 millions of building this year, based on an actual building permit total of $26 millions for eight months. Gaults Alberta Ltd., has started building a $600,000 warehouse. T. Eaton Western may spend over $800,000 on its announced store addition. Negotiations which may result in construction of a $1 million medical office building have been resumed.

British Columbia

Slash Fire Insurance Rates: A 10% cut in fire insurance rates on dwellings in Vancouver and Victoria was announced by B. C.'s 173 board insurance companies. Elsewhere in the province, the rate will be slashed up to 15% in towns and cities with fire protection. Graham Rose, chief surveyor for B. C. Underwriters' Association, made the announcement. He said the reason was a "favorable loss ratio" over a period of five years.

Prudential's Buy-Lease Deal: Conveyance of title to the new Slade & Stewart fruit warehouse in Vancouver to Prudential Life Insurance Co. of America for $524,697 completed one of the first "purchase and lease back" deals in the province. Title was given by Evergreen Investments Ltd., a subsidiary of Vancouver Mortgage Corp., to the insurance company. At the same time, Prudential gave Slade & Stewart a 25-year "net lease." The "purchase and lease back" arrangement is becoming common in Toronto, a deal by which a company needing a building has another capital group put up the structure so that the company can become a rent-paying tenant instead of a builder and landlord.



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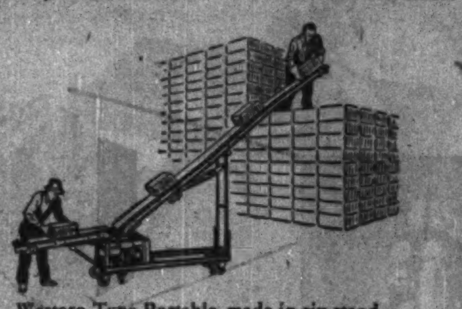

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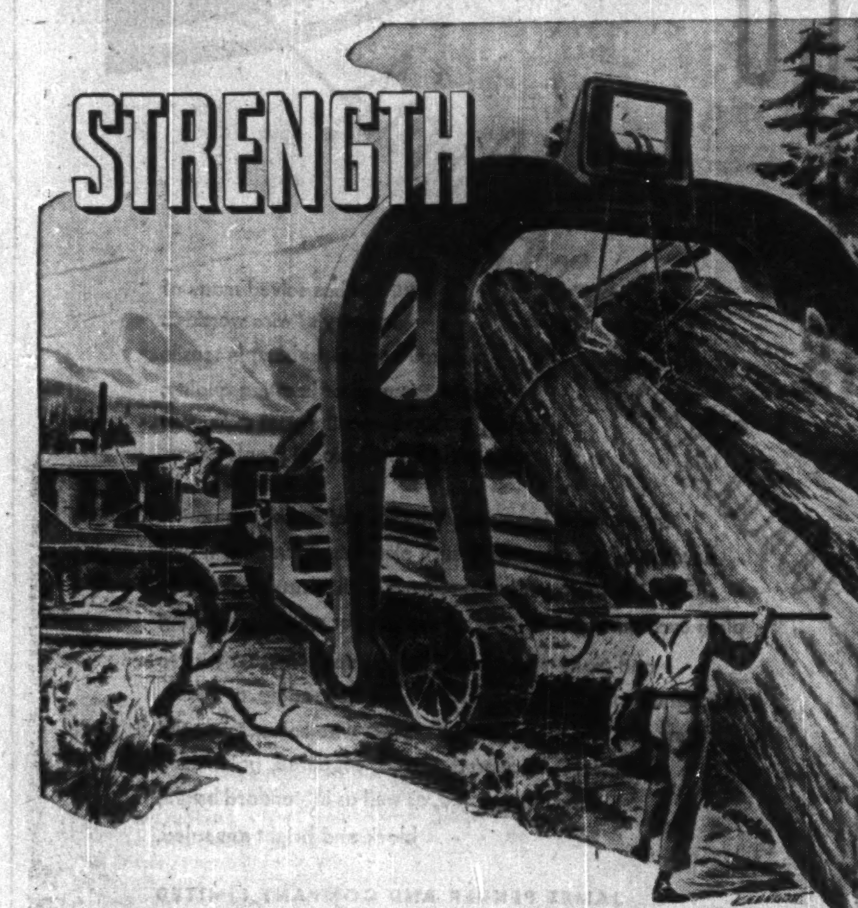

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Canadian For Governor-General?

The Question: Do you favor a Canadian for next Governor-General? Why? Name your nominations or indicate background desirable.

The Post readers answering this week's Question split 50-50; seven came out for the present system of appointing distinguished Britishers; an equal number for a change to Canadians. However, two of the seven favoring the status quo did so with reservations. They questioned whether the position was necessary in the first place.

Main argument advanced against a Canadian Governor-General was that, now more than at any time, we should preserve every link with Britain rather than cut a bond which encourages friendship and understanding between us.

Those disagreeing think it's more than time that Canada should get recognition through this appointment, as an autonomous unit within the Empire. Most favored the position going to: retired judge, scientist, diplomat or cultural figure.

DR. ARTHUR BEAUCHESENE, Former Clerk of Commons, Ottawa.

I am in favor of Governor-General being a Canadian and appointed by our parliament, not by the King or the Canadian Government. Under present practice our Premier actually selects governor whose name he submits to His Majesty. This is wrong, for the governor should not be obligated for his appointment to the Prime Minister who has to be his advisor. Appointment of men from the British Isles, although very successful in the past, is now incompatible with autonomy and savours of subservience. No active political leader should be chosen but rather a retired judge, a diplomat, a former lieutenant-governor or other prominent Canadian whose character and prestige command the highest respect in the community.

• • •

A. D. BELL-IRVING, Deputy Commandant, British Columbia Corps of Commissionaires Vancouver.

No. Next Governor-General should be a member of nobility with background of military or diplomatic service. Specifically suggest Trenchard or Portal of air force. No Canadian can adequately provide the desirable regal prestige. I definitely recommend a closure of British Commonwealth ranks to stand by in peace as in war.

• • •

E. JAMES BENNETT, George A. Touche & Co., Accountants, Toronto.

Until Sir Stafford Cripps et al achieve their ambition of finally liquidating the British Empire, I am in favor of His Majesty the King appointing as governor-general a member of the Royal family or other competent person from Great Britain. When the Empire is liquidated the Empire will presumably become a state of the union or at least a satellite country of the United States and a Canadian will be elected as governor in accordance with the laws of the United States.

• • •

WILL R. BIRD, Canadian author, Halifax, N.S.

If a Canadian could hold the office of Governor-General, then I think it high time that office were abolished. At present it seems an official link with Britain, but I am not at all sure it is necessary. As I see it, the welfare of this country like that of others may be seriously hampered by taxation and it might be that we could well do without our lieutenant-governors and governor-general.

• • •

B. CREIGHTON, Editor, Cowichan Leader, Duncan, B.C.

I believe that — remembering the biblical proverb about a prophet in his own country — Canada is perhaps not yet ready to appreciate her own men in the position of governor-general. This Dominion has been fortunate to have great world figures representing the King. Offhand, few in Canada could say where in the Empire a local man fills the post. I think that unity and understanding could be enhanced by interchange of statesmen among Dominions in this position. A man like General Smuts of South Africa would undoubtedly be acceptable in Canada, Australia, New Zealand, and statesmen of these countries elsewhere, thus helping to cement our ties.

• • •

DONALD CROMIE, Publisher, The Vancouver Sun, Vancouver.

If the post is worth continuing, then I feel it is best filled by a representative of the King from the British Isles.

• • •

W. E. CURRY, Industrial Relations Manager, Dominion Electrohome, Kitchener, Ont.

I very much favor a Canadian for the next governor-general. Not only is this an honor that should be reserved for great Canadians, but I feel the King as a symbol of Commonwealth ties can be best expressed through a Canadian. We as Canadians are not conscious enough of our country's present importance in world affairs or of potential for future development as a leading world power. In my opinion, Vincent Massey would make an excellent governor-general. It is a position which would be well filled by a cultural leader thereby recognizing the contribution to Canadian life made by this group and providing candidates whose vocational background is more likely to be nonpartisan.

• • •

H. R. DRUMMOND-HAY, K.C., Pitblado, Hoskin, Grundy, Bennest & Drummond-Hay, Winnipeg.

I favor the present system for the selection of our next governor-general and succeeding governors-general, namely appointment by His Majesty of an old countryman who is approved by the Canadian Government. It seems to me that the closer association we can keep with other parts of the Commonwealth the better, and I should not like to see this last of the few remaining intimate ties severed.

• • •

LOUIS BLAKE DUFF, Writer and publicist, Welland, Ont.

I am very strongly in favor of having our governors-general chosen from among Canadian politicians. The party hack has little enough chance for advancement and here, it seems, is where he could cash in. Moreover, it gives a Canadian wife at last a chance to come into her own where we can all stoop to one knee. If, however, choice could be made outside the realm of politics and honor scholarship and art, I feel I could withdraw my objection.

• • •

AIRD NESBITT, President, Jas. A. Ogilvy's Ltd., Montreal.

I do not favor a Canadian for next governor-general. As long as Canada's King continues to live in England I think he should continue to nominate his own viceroy from men of outstanding talent in the United Kingdom. Should the King decide to live part of each year among his Canadian people, I see no reason why a Canadian governor-general should not represent him in his absence. It should be remembered that the governor-general is the King's representative in Canada, and not the Canadian representative to the King.

• • •

RENE PERRAULT, President, Cumming-Perrault Ltd., Montreal.

The appointment would bring greater prestige to Canada if held by a Canadian with the cultural background of a Vincent Massey or the broad vision of the late Dr. Dafoe. For nominations I would think of Dr. Cody if he could accept or perhaps Dr. Wallace of Queen's. From the French speaking side, Georges Vanier would be excellent or Louis St. Laurent following his retirement.

• • •

ROBERT POULIN, Managing Editor, Le Petit Journal, Montreal.

Next governor-general should be Canadian born. This would emphasize maturity as a nation. I suggest Vincent Massey or General McNaughton. Best choice is a great soldier, respected diplomat, or justice or internationally known scientist, not a politician.

• • •

W. H. PRICE, Toronto, former Ontario Attorney General, Ontario.

Yes, Canada is an independent nation with ambassadors to the leading nations and should now confirm her new status. What other Commonwealth countries have done successfully we can do. Our Canadian Government has named lieutenant-governors with general public acceptance and I feel confident that any Canadian Government can send to His Majesty the name of a suitable Canadian to fill that high position.

• • •

ARMAND SMITH, President, E. D. Smith & Sons, Winona, Ont.

No, I favor a citizen of Britain for next governor-general subject to the following qualifications: Being of the same distinguished and able type that we generally have had. Not a political partisan. Loyal to the Crown. In sympathy with the beliefs and ideals of the majority of Canadians. I feel it is no time now, when it is so essential that Britain and Canada work out harmoniously the solution of the present great problems affecting us, for Canada to cut any bond which encourages friendship and understanding between us.

LOUIS ST. GEORGE STUBBS, Member Manitoba Legislature, Winnipeg.

I favor a Canadian for the next governor-general because Canada is an independent self-governing country and it is infra dig to import such an official. Occupant should be an outstanding constitutionalist, preferably with legal, judicial or parliamentary experience. Military background is least desirable. Canada has men fully qualified for the high office but prefer not to nominate them.

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What's New

Long-Wearing Shirt

"Double Two" shirt produced by English firm is said to have solved problem of making man's shirt with attached collar last longer. Each shirt is supplied with an extra collar. When original collar begins to fray, it may be removed and spare collar fitted to shirt by means of a simple operation. Women's shirt blouses also being made with this patented spare collar.

• • •

Removable Bristles

Plastic hairbrush has detachable rows of nylon bristles. To permit better cleaning, bristles sit in separate pieces of plastic and are easily removed by loosening a nut.

• • •

Licks Envelopes

Roller sealer moistens envelope flaps. Handle of device is filled with water that feeds into sponge-rubber wheel. Sealer can't leak or get flap too wet, Boston maker states.

• • •

Bait Box

"Flip-Flop Bait Box" is said to do away with groping through dirt by always keeping worms on top. The box, molded of Durex phenolic plastic in two identical halves, is mounted on a metal bracket. When selecting a worm, the box is merely flipped over on its hinge axis and when opened, the worms, which normally crawl to bottom of the dirt, are found on top. Leg brackets fold to provide convenient carrying handle. Box will not rust or corrode; unharmed by water and dirt; comes in soft black finish which will not pick up or reflect bright sunlight, makers cite.

• • •

Manufacturers of products which are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respect it is new, and indicate its significance to its field.

Enquiries concerning items in this column should mention the heading to the item, and the date of issue in order to ensure prompt reply.

Nursing Bottle

Screw top nursing bottle includes four parts—bottle, nipple and plastic sealing disk and ring. Formula can be kept sterile for storage or traveling by placing nipple face down in bottle, covering it with red disk, and sealing disk in place with the black ring. At feeding time ring and disk are removed, nipple is placed in feeding position and held by reattached ring. Bottle features wide mouth which permits easy cleaning and filling, graduated scale in red up to eight ounces, and air valve which prevents nipple collapse.

• • •

Plastic Posters

Window poster made of vinyl plastic sheeting, will stick firmly to any polished surface like glass, New York company states. Silk-screen lettering is imprinted on the sheet to order. To mount, press poster firmly against clean surface. Said to stay on during window washings, yet can be stripped off easily, leaving no mark on window or poster, which can be used again. The sheeting called "Vion" is suggested by maker for color tabs on sales maps, television filter screens, auto-windshield glare filters—as well as for posters. Sheets are also available in translucent form and a wide range of colors.

• • •

Wraps Magazines

"Cornerstone Magazine Wrapping Machine" developed by British firm, is lightweight machine said to be capable of wrapping 1,500 magazines an hour. Machine automatically wraps, gums and ejects magazines ready for posting. Overall size only 45 in. x 35 in. x 45 in. high. Resetting to different magazine sizes is done by a simple finger adjustment and the model takes magazines of sizes from 3 in. x 7 in. to 12 in. x 14 in. Is powered by a ½-h.p. motor and servicing is said to be very simple.

• • •

Fluorescent Lighting

Fluorescent lighting adapter converts bulb-type lamps to fluorescent lighting in a few minutes; fits almost any floor or table lamp, Nebraska maker states. Unit consists of two circular-type 15-watt lamps and two button-switches.

• • •

Flour Bag

New multiwall bag for the flour industry has been developed by New York company for use where flour is subjected to severe shipping hazards. Outer wall of the bag is treated with pyrenone and laboratory tests are said to show that pyrenone treated kraft paper bags afford 100% protection against insect infestation and contamination of the flour. Untreated natural kraft multiwall bag is said to be satisfactory for flour shipments under normal conditions but under exceptional conditions use of the more expensive container is warranted.

• • •

Fuel Hose

Hose for handling kerosene, fuel oil, aromatic fuels and other petroleum distillates, developed by New York company, through use of a braided rayon reinforcement combines strength and flexibility with light weight. Is said to allow easier handling in fuel oil delivery operations. Hose has two stranded, annealed copper wire for the dissipation of static electricity. Cover is especially compounded from neoprene synthetic to withstand cold temperatures, scuffing and abrasion, makers state.

• • •

Tool Holder

Tool holder with new locking method which eliminates bit vibration and reduces tool breakage has been developed by Pennsylvania company. The "Redy" rigid tool holder clamps carbide bit rigidly against work surface by means of a lock block, screw and lock nut arrangement which will not work loose, even on automatic machines, maker states. In addition to increasing tool life, the holder is said to give more production between grinds. Because of its extreme tightness and rigidity, it is said to provide up to two and three times greater production before regrinding. Only one brazing is needed to an entire bit. Another feature is ease with which clamping screw may be adjusted.

• • •

Electronic Knife

Electronic sticking knife is said to simplify the slaughtering of poultry and improve the finished product. Reduces self-injury and bruising due to the bird's struggles. Since the bird is relaxed, scalding is improved and time saved in cleaning up, since the flow of blood is easily controlled, it is stated. Round plastic guard prevents operator's hand from coming in contact with the knife.

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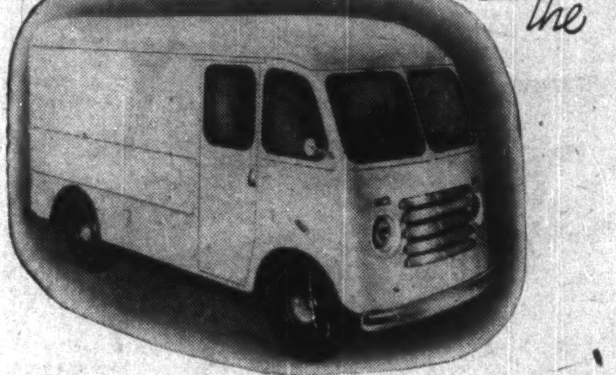

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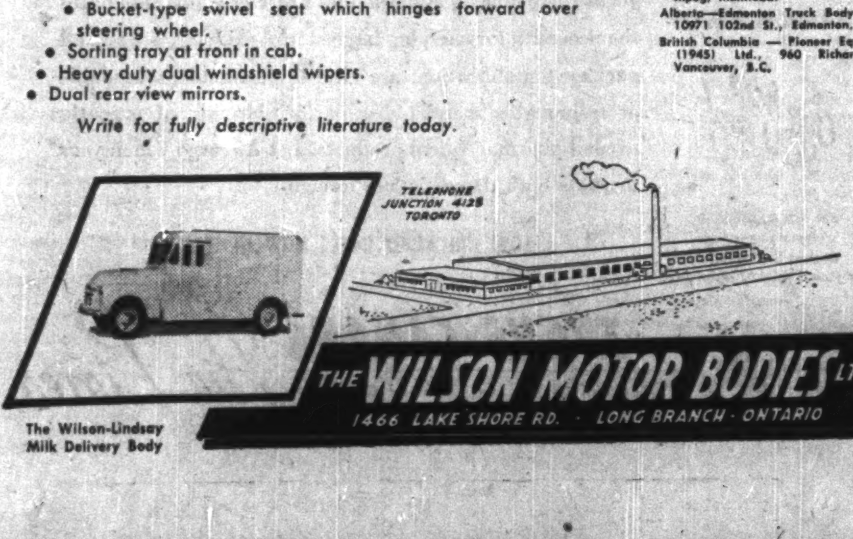

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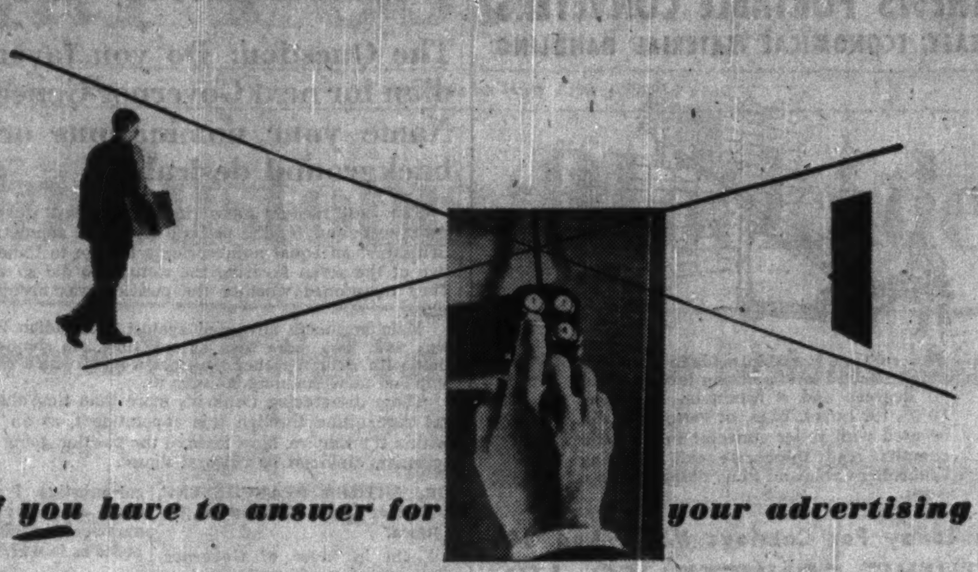

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The Financial Post

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Does U.S. Mean Business Now On Customs 'Blockade'?

Invisible Tariffs Shutting Out Trade Worth Millions to Our Exporters

By KENNETH R. WILSON

WASHINGTON (Staff)—It has taken the British dollar crisis to bring top-drawer action in scaling the trade barricades of U. S. customs procedure and administration.

These are the so-called "invisible" tariffs.

They're the permanent and the petty difficulties which businessmen all over the world encounter when they try to sell goods in the United States market. Other countries have these as well. But it is U. S. customs laws and procedure which have been the focal point of trade concern since war's end.

In the Washington talks which ended Monday, these U. S. barriers rated so high that one of the four committees set up within the conference dealt exclusively with this problem.

It is too early to know how soon or how effectively the conference recommendations will take effect. But from now on, this topic is certain to rate priority attention wherever ways and means of increasing dollar earnings in U. S. are under review.

This is good news and big news for Canadian businessmen.

Canada was the first country to lead the postwar fight against U. S. customs red tape. We took the problem to the international conference table in London in 1946. By 1947, at the Geneva talks, we'd won unanimous agreement that this was a top-ranking handicap to trade.

Out of these discussions came a separate chapter in the Geneva Trade Agreements dealing exclusively with needed reforms in commercial practices. The heart of this chapter is a proposed new international code for customs valuations.

All the nations which signed the Geneva Agreement are pledged to implement this reform. Canada was the first to do so. In the 1948 Parliament, the Canadian Government overhauled its Customs Act in line with this Geneva commitment. We did this partly as a matter of good faith; partly because we thought it was good business for a country everlastingly talking about multilateral trade, etc.

Congress Action Next Year?

The problem of U. S. customs barriers falls into half a dozen categories. Some are administrative, some legislative problems. At Washington both of these were under review.

Items that fall into legislative brackets can't be dealt with until next year's Congress. But there is hope now that the Truman administration will at least make a drive in that direction in 1950.

Meanwhile, a number of administrative reforms are promised that should be of help to Canadian exporters. Most important is the proposal to set up a central clearing house where exporters can get their goods promptly classified without fear of reversed and retroactive rulings weeks or months after shipments are sold.

As most businessmen who have business dealings in U. S. know, there are several distinct problems which face the prospective exporter.

1. Problems of classification.
2. Speed and certainty of decisions.
3. Basis of valuation.

Let's look at these in order.

Classification of merchandise under the U. S. tariff has long been a nightmare to many would-be Canadian exporters. The reason is that there are two chief alternatives:

(a) Is the commodity specifically provided for?

(b) If not, then it must be classified according either to the "material of chief value of which it is composed," or "its use."

If there is no precise commodity classification, then the customs appraiser must determine its material of chief value or its use, and must charge the highest rate he can find in these categories.

It's right here that the trouble begins.

As W. A. Mackintosh, a former assistant to the Department of Finance recently expressed it in the U. S. quarterly, Foreign Affairs:

"That (U. S.) tariff is backed by a customs administration which gives a foreigner the impression that it considers the continued entry of dutiable articles as evidence of gross inefficiency."

There's the classic example of automobile tires.

In the good old days, automobile tires were made largely of crude rubber. Thus for many a year there's been a specific commodity classification in the U. S. tariff to admit crude rubber tires at 10% duty.

But when synthetic rubber tires came on the market there was no specific commodity item in the U. S. tariff that matched up with the new product.

Hence Canadian firms who had opportunities to ship tires into U. S. from time to time, found them classified not as tires but as carbon black or rayon. Because of this the tariff was upped three or four times.

The point was, that for passenger tires, carbon black was the ingredient which carried the highest rate (30%). And that was the bracket under which they were classified. For truck tires the highest tariff bracket was rayon, used in the tire cord. So synthetic truck tires were classified as products of rayon and put through at a quite exorbitant rate of duty.

Similarly carpets which have a fringe have been found classified as "lace" or "embroidery" (liable to 135% duty); table-top electric cookers have been upped from the 17½% charged on cooking stoves and ranges into the 40% bracket for household utensils and so on.

It's not likely that much can be done about classification short of legislative action which would involve an overhaul and eventual rewriting of the entire U. S. customs tariff.

This is a task from which all governments shrink; especially the U. S. Government with its division of executive and legislative responsibility and the present disposition of Congress to resist any move which might imply easing of present protective tariff barriers.

Certainly it's not something that's going to be resolved overnight or in any four-day meeting of the ministers and officials who met at Washington—no matter how high their ranking.

Speed, Certainty Sought

Speed and certainty of decisions is something which is now actively under review at Washington and about which last week's conference was especially concerned.

As matters now stand, the prospective Canadian exporter to United States runs a gamut of risks and uncertainties which in scores of cases prove both a practical and a psychological handicap to building a trade connection in United States.

To start with, it's difficult if not impossible to get a tariff appraisal without first sending a trial shipment. Even when that trial shipment has been sent and appraised, there's uncertainty as to what may happen when a bulk order is shipped. And if the shipper appeals the initial appraisal, there's the dreary and discouraging prospect of both administrative and legal delays which in individual (and by no means isolated) cases runs into literally years of litigation.

In a study of "Customs Administration and Procedure between Canada and the United States" published recently by the Canada-U. S. Committee of the Chambers of Commerce of both countries, the case is cited of a shipment of firebrick made at Vancouver in December, 1939.

Just a year ago (September, 1948) the printed volume "U. S. Treasury Decisions" contained nine pages of argument centring on the contentious question of the price at which these firebrick were originally offered in the home market.

Says this report:

"Before this latest decision was announced, this case had already been before the U. S. Customs Courts in July, 1944, April, 1945 and June, 1946. Almost nine years from the date of the original invoices, the same judge who had heard the case in the first instance, ruled that there was still insufficient proof 'to enable the court to make required findings.'

"He therefore directed that the case be 'restored to the calendar'—which means presumably a further delay of one or two years."

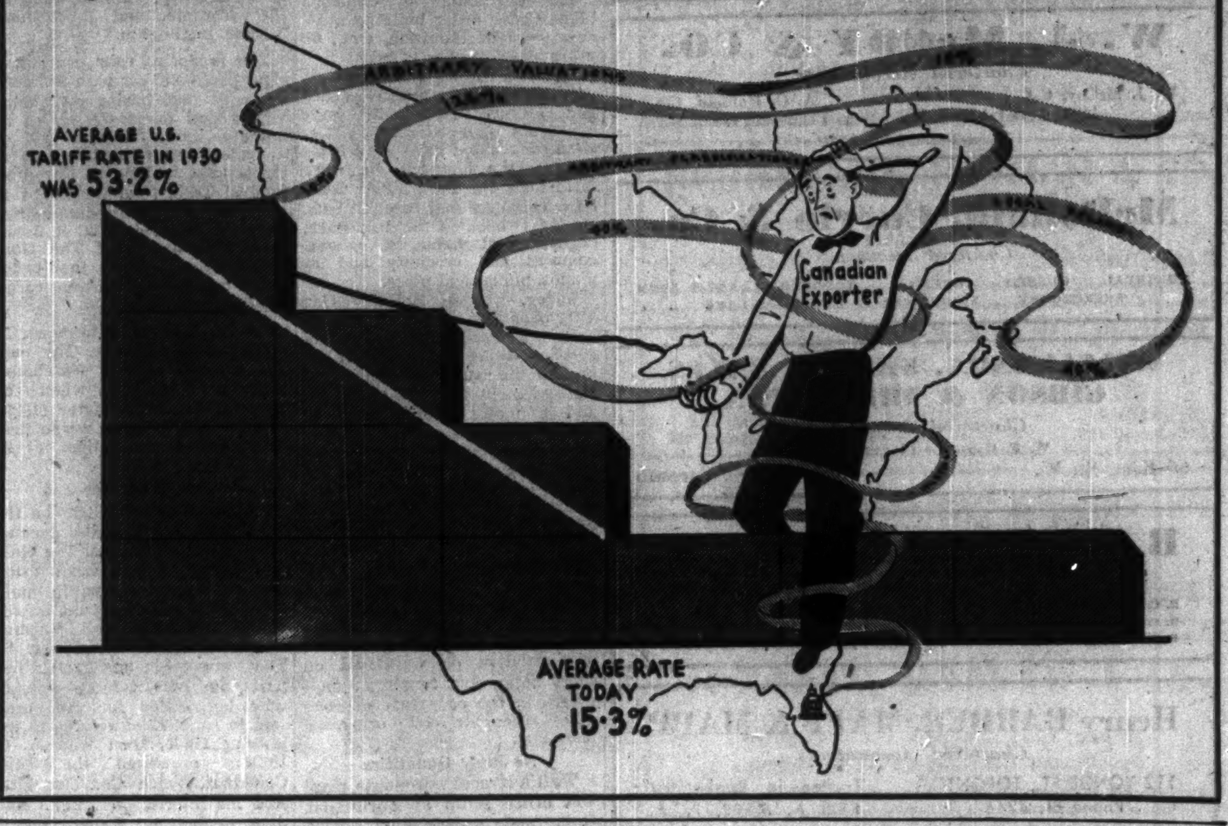
Can't Win Both Ways

It's admitted, of course, that the Canadian exporter can't have it both ways. If there's going to be greater certainty and less delay in administrative decisions and appeals to the courts, the trade may have to run the risk of less flexibility.

But most Canadian exporters who have

(Continued on page 19)

They Lowered Tariff Wall But What About Customs Maze?


AVERAGE U.S. TARIFF RATE IN 1930 WAS 53·2%
ARBITRARY VALUATIONS
ARBITRARY CLASSIFICATIONS
Canadian Exporter
AVERAGE RATE TODAY 15·3%

The Case Against U.S. Customs Documented

What are the details of the case against U. S. customs regulations and administration? There are six main causes for complaint: Special or arbitrary classifications of tariff items; Arbitrary valuations for duty purposes; Decisions that aren't final or binding; Burdensome formalities; Legal delays; Marks of origin regulations.

Here are some typical instances:

When Is A Spare Part Not A Spare Part?

U.S. Customs regulations on farm implements would appear to make it clear that Canadian farm implements and parts are allowed in U.S. duty-free. But it doesn't work out that way. There's a clause that says "only if the article is not specifically mentioned in the main schedule of duty items."

This means that nothing is an implement part unless the shipper can prove it has no other use. How can you do this on bolts, belts, chains rivets, bars, etc.? So, although the Canadian exporter may succeed in getting the original whole implement across on a duty-free basis he gets strapped on servicing. For full duty is charged on almost every part and in some cases this runs to 35%.

• • •

How Red Tape Can Get New Product Hamstrung

Marketing a new product in U.S. is in many cases made almost impossible under present circumstances.

In December, 1945 an Oakville (Ont.) manufacturer of rubber and plastics wrote to customs brokers in Buffalo seeking to sell vinyl sheeting in U.S. In May, 1946 a "temporary" tariff rate of 25% was levied. At the same time the company was warned the final rate might be much higher, and a bond was demanded with each shipment over and above the 25% duty.

After two-and-a-half years of argument back and forth the original appraisal was appealed and went to the Customs Court in New York. The company was warned it would be at least another year and a half before the case could be heard. Meantime customers who had bought these goods put up additional duties amounting in total to about 50% thus ruling out any chance of the product being sold in U.S.

• • •

Duty Changed After Product Used

A Vancouver firm shipped $325 worth of asphalt tile to a linoleum firm at Portland, Ore. Before the order was placed the U.S. company was advised the duty would be 30% or 5c. a square foot and duty at this rate was paid.

Six weeks later, after the floor had been laid and there was no possibility of return the U.S. Customs changed the basis of valuation and billed the U.S. company for another $949.05 because it was now contended that the tiles contained synthetic resins and the basis for duty would therefore be 50c. a lb. plus 40% ad valorem.

• • •

Are Cookers Stoves Or Household Utensils?

In January, 1947 a Los Angeles distributing firm arranged to take on sales in western States of a new type of table top cooker being produced by a Canadian manufacturer of household appliances.

Shipments to San Francisco for demonstration purposes were classed by U.S. Customs as "cooking stoves and ranges having as an essential feature an electrical heating element." Duty: 17½%.

Next month, 1,500 of these stoves entered at San Francisco and duty of $4,465 was paid. Three months later Customs Information Exchange told the broker the duty should have been 40%. The item came under the heading of "household utensils."

In June Customs billed the San Francisco broker for $5,714 additional duty. That ended a deal which the Canadian exporter had reckoned would bring him in $2 millions in sales for that year in that part of the U.S. market alone.

As a result of the higher duty the article was priced right out of the market and because the goods had already been sold the San Francisco broker was unable to collect the additional duty from his customers. He went bankrupt as a result; the market was closed to the Canadian firm; and the Canadian Export Credits Insurance Corp. had to pay out $4,500 in compensation to the Canadian exporter.

• • •

"Canada" Stamp Asked On Every Apple Tissue

The mark-of-origin regulation has been carried to fantastic extremes.

Take the case of Nova Scotia apples. When the U.K. market closed in November, 1947 because of dollar difficulties, growers arranged to make a shipment to U.S.

But on the first attempt they never got farther than a port of entry. Reason: although the boxes were clearly stamped "From Canada" the shipment was ruled inadmissable because the tissue in which each was wrapped had not been so marked—and under U.S. customs regulations each separate tissue was deemed to be a container.

So back to the warehouses went the shipment to be unwrapped and each piece of tissue rubber-stamped "Canada."

• • •

"We've Had Our Fill Of Imports From Canada"

In December, 1947 a Canadian corporation solicited and received orders for $400,000 worth of zinc base alloy castings from a Chicago company.

At Detroit the U.S. Customs appraiser ruled that a 25% duty was payable. The Customs Information Exchange at New York, however, ruled later that these castings were dutiable at 45% and the Chicago company was required to put up a bond of $7,500 covering the additional duties. The Canadian embassy at Washington took the matter up in March, 1948 and in mid-April Washington ruled in favor of the higher duty.

This ruling was appealed by the Canadian company but a final decision is still awaited. Says this company: "Our Chicago customers have had their fill of importing castings from Canada even though, meanwhile, the rates have been cut 50% as a result of the Geneva negotiations."

Do They Go To Sleep When You're Speaking?

Here's Expert Advice on How to Pep Up Those After-Dinner Talks

Here we go again—into the season of after-dinner, after-luncheon speeches. How do you rate as a public speaker? What can you do to pep up your talks, keep your audiences following your every word? Here's a set of basic public-speaking principles from an authority, John Henry Pepper, public speaking instructor at the University of Toronto.

By JOHN HENRY PEPPER

Plato said, "Rhetoric is the art of ruling men." Perhaps we cannot make our spoken word a clarion call that rules our fellow-citizens. But by observing the following six speaking principles we will be able to keep our hearers awake and interested.

1. Be thorough in preparation.

No matter how gifted with a free-wheeling tongue a speaker may be, there is no substitute for preparation. And unless you are ready to devote sufficient time to preparation it is better to decline the invitation to speak.

"Warmed-over" material will not pass unchallenged by your audience. Recently a leading figure in the Canadian advertising field stood up to give an inspirational talk to a group of youthful school graduates. His speech was only saved from complete failure because of the humorous anecdotes he introduced as he went along. Apart from his humor his speech was a sad and obvious attempt to make an impromptu amalgamation of half-remembered notes from two earlier speeches.

Both were suitable topics and might easily have been put together in an inspirational, patriotic talk. But insufficient time had been devoted to preparation and the audience sensed it.

If you are delivering a 15-minute talk to 100 people, they are collectively devoting 25 hours to your speech. Out of fairness you should devote at least three hours to preparation. Remember, impromptu speeches are for use in emergencies only.

If you are to speak in an unfamiliar room, it may be a worthwhile part of your plan to arrive ahead of the audience. Practice saying parts or all of your speech in this room. This planning technique gives the speaker an idea of what his own voice will sound like in the room, of the volume to be used in order to be heard with ease. Additionally, familiarity with his surroundings will enable him to appear poised and self-confident.

2. Be sincere, know your subject.

One of the most sincere speeches I've heard was made in a parish hall about three years ago. The church gave a dinner to returning ex-servicemen. The main speaker and his topic have been forgotten, but one short speech sticks in my mind. It was a speech of welcome home and an invitation to join the local Canadian Legion branch made by the president. That the speaker made one or two grammatical slips was unimportant. His downright sincerity, the genuine warmth of his words marked his speech as the most outstanding in a long evening of speeches. Among the audience was his own boy returned safely from the war. He spoke to his own son and broadened his welcome to include all returning parish servicemen.

From another occasion I recall a painstakingly-prepared talk that was quite unsuccessful. Talking over the speech later, the speaker confessed he had little sincere interest in the topic but had prepared and spoken on it because it had been advertised as his subject.

So be sure to pick a topic in which you have a real interest. If your interest wanes your talk will be insincere. In that case, change the topic. Audiences are quick to note artificiality. Be yourself. Sincerity is important and we speak sincerely about those things that really interest us.

3. Make your presentation clear-cut.

In your introduction tell your audience what you are speaking about and why. So many speakers neglect this elementary rule that it takes some time for the listener to discover why the speaker is talking.

Whatever you do, don't apologize for the inadequacy of your ideas or your inability to speak. If you have any weaknesses in thought, content or manner of presentation your audience will quickly notice them without your oral sign-posts to direct their thoughts to your inadequacies.

In planning your main presentation have at least two main ideas. Some speakers have so many ideas that they fail to fully explain them. Some speakers have so few ideas that while they may speak fluently they present their audience with little material of real thought value. Make sure that your plan contains at least two sound and basic ideas.

Copy the advertising technique of repeating your main ideas in your conclusion. Try to vary the language but at all events reiterate your major thoughts. Even the wisest audience must be told the same thing more than once so that your meaning may be clearly understood.

4. Be animated in your delivery.

The animated speaker is following a speech principle that always attracts his audience. Ned Sparks, the movie actor, is the only one who sells his personality with a deadpan face. There is no room for poker faces in after-dinner speaking.

If your listeners have just enjoyed a satisfying meal and are happily smoking, they like to see someone address them whose face reflects their own feelings of inner contentment. Smile at them. Mentally, they smile back and are subtly prepared to accept the ideas you are to present.

Gestures may be a help in creating an animated speech. Watch any two people in absorbed conversation and you will be surprised at how much they use their hands in talking. Gestures must come naturally. If you feel a gesture helps to convey your meaning by all means make it.

Certain gestures have standardized meanings. Pointing with the index finger calls for attention. The closed fist expresses forcefulness. We can appeal to our audience by extending both upturned palms of the hand toward them. The palm held downward denotes disapproval.

Don't limit your gestures though. If you are telling a baseball story don't hesitate to hold an imaginary bat on your shoulder, or throw an imaginary ball. Your audience will enjoy your actions. Gestures can do much to aid in producing a successful speech. When you feel a gesture coming on just let yourself go.

5. Keep intimate with your audience.

The great appeal of night-club entertainment is the fact that many of the entertainers are so close to their audience. Much greater intimacy between actor and audience is achieved than is possible in a theatre.

Olson and Johnson, of C.N.E. and Hellzapoppin fame, achieved intimacy by having their showgirls select partners from the audience and having showpeople and audience do something together on the stage.

A well-told joke on himself is a favorite and successful method used by many speakers to create a feeling of intimacy. The most important aid is to look at your audience. Merely looking at all sections of the group you are addressing creates a strong bond of unity and a feeling of oneness and intimacy between speaker and audience.

If the speaker can give an off-the-record slant to his remarks, he will become intimate with his audience. We all like to hear of things we don't read about—"inside information." The feeling of intimacy you can create this way transforms what might be a routine topic into an outstanding speech. We especially cherish our intimate friends. Audiences enjoy speakers who can use the speaking principle of intimacy.

6. Put your best voice forward.

The speaker's voice plays an important role in successful speech principles, but it has been placed last purposely. True, a beautiful voice can be developed by training. But the average after-luncheon speaker must do his best without this training.

Then too, some men have a broad, deep chest and a large diaphragm and these people naturally possess a deep, resonant, pleasant-sounding voice. To those of us not so blessed, some improvement in our voice may be made by conscious thought.

Every speaker should strive to be smooth and pleasant. How often speakers distract their audience by unnecessarily cleaning glasses, blowing their noses, rattling pocket-change or indulging in noisy throat-clearing. Even the demon "uh" that slips from so many mouths when the speaker pauses may be conquered by firmly closing the lips together when a speech-pause occurs.

Smoothness of voice delivery may be improved by writing out some sentences in full while preparing the speech. Inhale before starting the sentence and continue to exhale without pausing while speaking until a punctuation mark occurs. Practice some of these sentences until you can say them perfectly. They will prove to be useful pegs on which to hang our voice-improvement.

Be deliberate in your platform actions. Don't hurry to start or rush to sit down. Deliberateness encourages poise and your best voice production.

If every after-dinner speaker would prepare, plan, know his subject, be animated and intimate, and put his best voice forward, every listener could look forward to the open season on after-dinner speeches with much more pleasure.

A Word to Chairmen

No piece of advice to public speakers would be complete without a special note to chairmen, introducers and thankers.

Here, too often, is where the main fumbling comes.

To any experienced speaker, these three men, not the audience, are the real peril, the big worry on any occasion.

The chairman's big job is to keep the meeting moving in an orderly way and on time.

Any semi-experienced speaker, in accepting an invitation to do a job for you—which in the great majority of cases he does free of charge and without even the grace of a taxi—will ask "How long do you expect me to speak?"

Radio has taught the discipline of time to most speakers. On the air, speeches must be tailored down to the minute. The luncheon and dinner speaker need not be expected to work to such a close schedule. But the great majority will plan their addresses within a five-minute margin.

Luncheon clubs particularly have the custom of breaking up their meetings at a fixed hour, such as two o'clock. Some of the listeners have to get away; some will want to get away according to routine.

But how often it happens that chairmen start proceedings late, let the meeting dawdle and then leave the speaker 10 or 15 minutes for an address supposed to take 30 minutes! That's neither fair to speaker nor to listeners.

So, Mr. Chairman, keep the meeting moving on strict schedule. Start it sooner rather than later. If there is any question about running overtime, or crowding, get your preliminaries over with even before the meal is over. You don't need to wait for all to finish their meals and their coffee to get business of the meeting done.

Another thing, Mr. Chairman. The audience didn't come to hear you make a speech, be funny or anything else. Your one job is handling the meeting efficiently and expeditiously.

Now for Mr. Introducer, whether you're the chairman or somebody else. Your job is to create interest in the speaker, not in yourself. So don't you try making a speech at this juncture.

Learn how to pronounce the speaker's name. Ask him direct, or ask some of his associates, for a few interesting facts about his background, his interests, his qualifications for discussing the topic announced. Get the facts straight, speak them clearly, forcefully; and sit down. More than two minutes from you will be too much.

Mr. Thanker: You have the job that is usually done worst of all.

Don't start trying to review the address. Everybody present has heard it. What interested you in it will probably be something different from what your neighbor found interesting.

Don't be patronizing to your speaker. So often thankers say something like this: "We appreciate not only what you had to say, but the manner in which you said it."

Praising the content of an address is one thing. Commenting on a man's delivery is quite another. There you are getting too personal. It's like saying you like a man's face, his suit, or the way he cares for his finger nails.

That's just what you do when you praise little daughter Susie for the way she did her recitation at the school closing. Patronize your child if you want. Don't patronize speakers.

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The Halliday Company

It's Canada's Mail-Order Builder

Materials-by-Mail Business Now Tops $3 Millions a Year

A merchandising idea new to the construction trade—plus men with the vision and drive to push it into high-bracket earnings and big-scale service to Canadians. That's Ontario's Halliday Co. The Financial Post reports on a major Canadian business development.

By CLIVE CHATTOE

The beginnings of Canada's biggest mail-order building business were in Hamilton, Ont., 61 years ago.

Then, as Stanley Mills & Co., it was on sewing machines, shoes and shotguns that founders built a roaring mail-order trade. Kitchen ranges and kites were shipped by the hundred. So were farm tools and fans, bibles, beds, baby carriages and baseball bats. Business boomed in hardware, harness and hats, in corsets, cameras and crockery and in pianos, purses and pipes.

Today, as the Halliday Co., after dropping most of the household wares and all the sporting goods, clothing and notions, it has become the country's biggest specialized mail-order establishment and a major prefabricator of houses and buildings.

Whether you want a dozen prefabricated army huts for the Arctic circle, a factory-built aircraft hangar, insulated wall panels for a "prefab" house" or a carload of ready-cut seats for outdoor toilets, Halliday's will "put your order through in a jiffy." It will ship anything from a pair of doorknobs or a dozen bathtubs to a couple of carloads of insulation or wallboard on short notice and to almost anywhere in the country economically accessible by organized transport.

No Sissy Quantities

With a 15-acre warehouse, plant and office setup at Burlington, Ont., and order-taking showrooms in Hamilton and Toronto, Halliday's is one of the country's biggest distributors of insulating material for weatherproofing buildings and houses. Current sales of insulation are running about 120 cars a year.

That's a lot of insulation. But all quantities sold in a year from the Burlington plant are impressive. Window glass? Current annual sales are running about 25 cars (including substantial quantities bought by the company in Czechoslovakia when a Halliday executive went over there last year expressly to get it). Lumber sales are about 10 million board feet a y. . plus 78,000 glazed window sash and 28,000 doors.

As well, large volume shipments are made almost daily of plumbing fixtures and furnaces, kitchen cabinets of the built-in type, paint, house and farm hardware and a whole catalogue of other building and allied material.

The glass purchased abroad, mentioned earlier, is just one example of the firm's resourceful buying. Here's another. When the door shortage was at its height about 18 months ago, Halliday combed the country, built a substantial door inventory. And it disposed of the lot well before door prices slipped. (Incidentally, fir slab doors 2½ by 6½ ft. are in the current Halliday catalogue at $8.85 but appear in a more recent "addenda bulletin" supplement, at $8.15 down 8%.)

Those are samples of the push behind Halliday's strong rise and indications of its present place in the Canadian building supply and prefabrication scene. Last year its gross sales topped $2¾ millions, four times the firm's 1939 volume. Sales this year are estimated up about 15% from the 1948 figure, which would bring gross turnover over $3.2 millions.

The Idea, The Men

When, in 1913, the late H. C. Nunn took over the mail-order business of Stanley Mills & Co., Nunn brought into play his experience in the Winnipeg mail-order department of one of Canada's biggest department stores. With the backing of the late Frank and Rupert Halliday, Winnipeg coal dealers and, later, with the addition to his organization of a younger mail order enthusiast (Tier, pronounced "tire," now president) Halliday's laid down four basic policies. These, still its boast 36 years later:

1. A complete mail-order service in building materials and equipment, anywhere, anytime, any quantity;
2. High quality, low price and "satisfaction guaranteed or your money cheerfully refunded";
3. Manufacture mostly by subcontractors, and favoring those with highly developed and efficient plants but departing to some extent from this concept in the gradual development of self-manufactured panels or walls for "prefab" houses, summer cottages, defense and commercial buildings.
4. "How To Do It" information and instruction to householders, farmers and management on the right materials for the job and how to use them "so" that the customer will get the best out of what we sell him."

Harry Johnston Tier, 43, as president, board chairman and general manager heads the youthfully energetic Halliday show. Vice-president is Mrs. H. C. Nunn; other directors, Hon. Leopold Macauley, Toronto, John R. Hill, Toronto, and L. William Rayner, Burlington.

Tier is stocky, calm, smiling, a cigar chain-smoker with a kindly intensity that business acquaintances find persuasive. Born in Islington, near Toronto, son of a market gardener, he went in for cabinet making at Toronto's Central Tech, soon was hired to make a set of dining-room furniture for the late F. W. R. Johnston, then owner of The Gold Medal People Ltd., a mail-order house dealing in Christmas cards, vegetable seeds, etc.

At 19, Tier went to work in Johnston's warehouse. The next year he was made warehouse superintendent and, when the boss died two years later (1929) he first managed the whole firm for the estate and then, at 22 bought it.

Was Watchmaker Too

An interesting sidelight on the development of Mail-orderman Tier concerns watches. The Gold Medal People had been using watches as premiums, in mail-order promotion. But an import ban was slapped on finished watches in the early 1930's. So Tier imported and assembled parts, turned out more watches than he needed for premiums, sold in substantial volume to the jewelry trade, then with A. G. Holmes organized the Thiel Canadian Watch Co. Tier later sold his interest in Thiel Canadian to Ingram Watch, Bristol, Conn., which then organized Ingram Canadian.

In 1939, Tier joined the Halliday Co. as a director and in charge of warehousing. The next year he bought a 51% interest from the late H. C. Nunn, then fatally ill, and assumed his present positions. He is a director of the Prefabricated Home Manufacturers' Institute, Washington, and leader of its Canadian group.

But it's no one-man band and Tier speaks frequently and enthusiastically of the close-working executive crew around him, including Arthur Abrams, merchandising manager (the man who bought the glass in Prague last year), Robert M. Kirkpatrick, secretary-treasurer, and William Waters, service and personnel manager.

Abrams, 56, was born in London, England, in a family of general contractor older brothers. He left St. Olaf's School there to come to Canada and Hamilton in 1920 where he worked as a carpenter. After war service overseas with the infantry and engineers 1915-18, and six months with a Lancashire general contractor after demobilization, Art Abrams returned to Hamilton where he built truck bodies for a year before joining Hallidays, first as estimator (1929), then on outside contacts (1930), store manager (1932), and sales manager (1935). In 1939 he added broad responsibilities for buyihg and last year took on his present job, including direction of buying, selling and advertising.

Technical Trailmaker

Opening new paths in merchandising, Halliday's also is pioneering in building technique. It is the oldest established pre-

H. J. TIER

R. M. KIRKPATRICK

ARTHUR ABRAMS

WILLIAM WATERS

fabricated homes manufacturer in Canada, one of the five major operators in the field.

It has produced since the war more than 2,000 "prefab" houses and close to 5,000 summer cottages similarly made, besides some "special purpose" defense buildings.

And Halliday's has something in the kitty, and on its mind, in research for further technical and merchandising development. Tier's hope is for a complete "package" of fully factory-assembled house sections or panels, plus all the equipment—the refrigerator, cook range and garbage disposer, as well as plumbing, heating, electrical and storage installations.

Tier is quick to say that in this projected advance, as in Halliday's current prefab operation, his firm and other prefabricators are betting heavily on municipal building bylaws—that local codes will be dewatered of technically unsound, "politically" dictated restrictions against progressive design, materials and methods; that when municipalities do reform their bylaws, they'll get together and do it on something like uniform standards.

Given modernization and standardization of Canada's municipal codes governing safety, quality and function in housebuilding, Halliday's and the other prefabers promise mass merchandising, mass production and Canada's first $1,000-a-room postwar house.

Latest Halliday effort in a prefab house—the plywood "Scot" (for thrift)—was seen by thousands at the recent Canadian National Exhibition in Toronto. Figuring at about $5,500, including foundation and all basic requirements, the two-bedroom Scot is expandable. For $2,000 more, another two bedrooms can be added without major alteration of the original structure, which comes to the building lot in room-size walls and is locked together with a patented "spline" metal bar joint.

Adding value of the land at, say $1,500 in a low-cost area or for a small lot, the six-room house complete with land costs up to $9,000. That's with production and sales limited by the local bylaws. Freed of this artificial barrier, Tier says, the Scot could be mass-produced and mass-built within two or three years "at maybe $7,000 including land."

There's an interesting labor relations angle to the Halliday story. Voluntary wage reductions in bad times, repaid in good. Plant and store employees in Burlington, Hamilton and Toronto "volunteered"—and Tier says he **means** volunteered—to take pay cuts amounting to about $25,000 in the depression period 1932-36. These were repaid progressively in full in the ensuing four years to employees still on the payroll. Halliday's offers its workers hospitalization coverage, optional for families, 26 weeks' sickness benefits, annual bonus since 1945 of 5% of wages of each employee.

One other sidelight on the operation: Halliday's buys widely, spreads the labor benefits from its plant. Hardware comes mainly from Peterborough, Toronto and Kitchener, plumbing fixtures from New Brunswick and Ontario, lumber from Quebec, Manitoba and Saskatchewan, millwork from British Columbia, some lock sets and oak flooring from United States and glass from abroad.

ALGOMA CENTRAL TERMINALS, LTD. has published notice in London, England, of its intention to call its outstanding 5% first mortgage debenture stock due Dec. 31, 1959, for redemption on Dec. 31, 1949. As at Dec. 31, 1948, there was £65,634 ($319,408) outstanding.

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporation and Foreign Securities

PROVINCIAL

Province of New Brunswick—3½% sinking fund debentures, due Sept. 15, 1965, $8,000,000, dated Sept. 15, 1949. Sold at $99.25 to Dominion Securities Corp., Gouinlock & Co. Ltd., A. E. Ames & Co. Ltd., Wood, Gundy & Co. Ltd., McLeod, Young, Weir & Co. Ltd., Mills, Spence & Co. Ltd., Eastern Securities Co. Ltd., Cochran, Murray & Co. Ltd., F. J. Brennan & Co. Ltd., Bank of Montreal, Royal Bank and Bank of Nova Scotia.

MUNICIPAL

Town of Tillsonburg, Ont.—3% and 3½% debentures, due July 15, 1950-59-69, $150,000, issued July 4, 1949. Sold at $100.643 to Wood, Gundy & Co. Ltd.

School Commission of St. Gregoire of Greenlay, Que. — 3½% debentures, due June 1, 1950-69, $47,000, issued Aug. 25, 1949. Sold at $96.50 to Geoffrion, Robert & Gelinas Inc.

Town of Montmorency, Que.—3%, 3¼% and 3½% debentures, due Sept. 1, 1950-54-59-64. $35,000, issued Aug. 29, 1949. Sold at $98.03 to Clement, Guimont Inc.

Town of Chesley, Ont.—3½% debentures, due Oct. 1, 1950-69, $155,000, issued Aug. 30, 1949. Sold at $102.03 to J. L. Graham & Co. Ltd.

City of Quebec, Que.—2¾%, 3%, 3¼% and 3½% debentures, due Sept. 1, 1950-54-59-63-64, $3,826,700, issued Aug. 30, 1949. Sold at $98.82553 to L. G. Beaubien & Co. Ltd., Wood, Gundy Co. Ltd., Banque Canadienne Nationale and Hamel, Fugere & Co. Ltd.

Town of Campbellford, Ont. — 3¼% debentures due 1950-59, $110,000, issued Aug. 31, 1949. Sold at $99.14 to Cochran, Murray & Co. Ltd.

City of Vancouver, B.C. — 3¾% debentures, issued Sept. 15, 1964, $304,745, issued Aug. 30, 1949. Sold at $99.577 to Fairclough & Co. Ltd., Pemberton & Son, Vancouver, Ltd., Cochran, Murray & Co. Ltd., Anderson & Co., Nesbitt, Thomson & Co. Ltd., Western City Co. Ltd., Imperial Bank and Dominion Bank.

Trail School District No. 11 (Rural Portion)—3½% debentures, due Sept. 1, 1950-69, $153,000, issued Aug. 31, 1949. Sold at $99.879 to J. L. Graham & Co. Ltd.

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INCOME TAX

Dependent's Income

We understand that under the Income Tax Act, anyone supporting a parent or a parent-in-law can claim such relative as a dependent, if the income of such person does not exceed $400 per annum. If he is receiving old age pension, what effect will the recent increase to $40 monthly in Ontario have in this regard?

Under new regulations published Aug. 10, the class of persons who may be regarded as dependents for support on taxpayers includes all those who otherwise qualify as dependents under the act during a taxation year and whose income for the year does not exceed $500. This regulation will take care of the increased old age pension in Ontario. Tax-exempt cash income of a nurse in training remains at $400.

INVESTMENTS

Beauharnois L. H. & P.

Please bring me up to date on valuation proceedings on the assets of Beauharnois Light, Heat & Power Co.

As you know, hearings have been going on since early this year to determine a valuation of the assets of this company. According to our information, there is no great difference between the values of many of the assets as estimated by Quebec Hydro and by the minority Beauharnois shareholders. However, there is considerable difference of opinion between the two groups with regard to depreciation and the value of the company's water rights. The hearings were adjourned early this summer and will not be resumed until the latter part of September. It is thought that if early agreement is reached on these two factors, the hearings should be finished before too long.

Naturally enough, a book value for the shares has no meaning since the common stock equity is the issue under dispute at the present time. Originally, Quebec Hydro made an offer to the company of $72,260,486 for its shares, from which $79,380,510 was to be deducted in respect of funded obligations already taken over at the time of expropriation. Thus the entire offer would have gone toward paying debts and charges, leaving nothing for the common shareholders. The offer for the expropriated shares was rejected and the issue was finally brought before an arbitration board in March, 1948. Intermittent hearings have been held since that time.

Shares of the company have been trading recently on the unlisted market at $18-$20 per share.

This reflects the belief, apparently, that a settlement will be reached which will recognize some equity for the common stock.

Auto Fabric Products

What are the earnings and stock outlook for Auto Fabric Products Co.?

According to our information, earnings of this company will be down in the first half of the year compared with the same period last year. Although the volume of sales was reported at a fairly good level, expenses were still at a higher rate than in the early part of last year. Another factor is said to be the costs involved in a changeover in the company's methods of distributing its products.

It is also pointed out that the market has been discounting the earnings of all companies rather heavily, and yields of 10% and higher are not uncommon. Another factor may be that investors do not consider shares of this company to be sufficiently seasoned to command a higher price, in view of the fact that the shares were offered to the public only three years ago.

Insurance Suits Are Very Few

ST. ANDREWS, N.B. (Staff) — Discussing claims made in legal circles that changes in the insurance acts of the provinces are necessary to give more satisfaction to the public and reduce litigation, W. D. Baldwin of Montreal, representing the All-Canada Insurance Federation said:

"The public is being served efficiently. At any time there are millions of contracts in existence and both parties to them are apparently satisfied. In the case of less than 3% or 4% that produce losses, 98% or 99% of these 3% or 4% are settled to the satisfaction of the insured. Of two leading companies last year, each had over 19,000 losses and each has one in litigation.

"I suggest that the small percentage of claims that get into the hands of the legal profession distorts the view of that profession on the necessity for reform and results in a report in such terms as this."

It was stated later that the two cases out of 38,000 mentioned above and in litigation were the same case.

HYDRO - ELECTRIC POWER COMMISSION OF ONTARIO monthly load summary for July, 1949 shows an increase in primary power demands (actual loads plus cuts) over the figures for July, 1948. In the Southern Ontario primary demands increased 0.3% over the same period in 1948. In the Thunder Bay System an increase of 31.6% was recorded. The seemingly high rate of increase in primary power demands in the Thunder Bay System is attributable to the fact that the Commission is now serving more new consumers in the Thunder Bay System than a year ago. These new consumers include former power customers of the Kaministiquia Power Co. at Fort William as well as a large new pulp and paper plant. The assets of the Kaministiquia Power Co., including the Kakabeka Falls generating station, were acquired by the Commission recently. Figures for the Northern Ontario Properties indicate an increase of 9% in comparison with July last year.

The Commission's July summary also shows an increase of 4.3% in the total generated and purchased power over July, 1948, in the Southern Ontario System and an increase of 39% in the Thunder Bay System. Figures for Northern Ontario Properties showed a decrease of 3.8 %.

	Max. 20-Min. Peak Kw. July 1949	July 1948	Incr. %
Primary Demands: (Actual Loads plus Cuts)			
South. Ont.	1,756,410	1,752,792	.3
Thunder Bay ..	150,859	114,594	31.6
Nor. Ont. Prop.	209,837	192,532	9.0
Total Generated & Purchased:			
South. Ont.	1,703,000	1,634,097	4.3
Thunder Bay ..	165,259	118,894	39.0
Nor. Ont. Prop.	220,137	228,917	—3.8

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Staff Changes

The chartered banks announce the following staff changes:

Dominion:

H. E. TRAVISS to be manager, St. Clair Ave. and Vaughan Rd., Toronto.

THOS. H. CRAWFORD to be accountant, Saint John.

A. F. EDMUNDS, formerly accountant, Saint John, to be accountant, Guelph, Ont.

• • •

Montreal:

J. McCANSH, accountant, Toronto, to be an assistant manager, that branch.

C. HENDERSON, an assistant manager, Toronto branch to be manager branch at Front & Yonge Sts., Toronto.

E. J. MACKELL, of the assistant general manager's department, Toronto, to be manager, St. George & Bloor Sts., Toronto.

M. C. KIRBY, assistant manager, West Point Grey, Vancouver, to be manager, University Campus, University of British Columbia, Vancouver, recently opened.

C. O. McGIRR, superintendent, business development, head office, to be manager, Ottawa.

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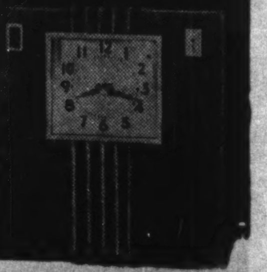

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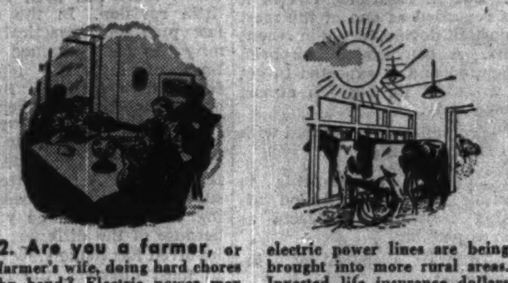
We're putting silver linings in some of your clouds!

1. Are you forced to live with in-laws because of the housing shortage? Then you'll be glad to learn that things are looking brighter now — because . . .

life insurance dollars invested in housing projects to earn money for policyholders, are providing many new homes throughout the nation!



2. Are you a farmer, or farmer's wife, doing hard chores by hand? Electric power may soon save you time and energy with machines, provide convenient light and water because . . .

electric power lines are being brought into more rural areas. Invested life insurance dollars are helping to finance many of these labour-saving power developments for farmers.

3. Is there a narrow bridge that chokes traffic and causes accidents in your locality? You may be surprised to find it replaced some day with . . .

one of the many wide, safe bridges being built — thanks to life insurance dollars—in places where they're needed. Then watch the traffic flow!

4. Are waters polluted by raw sewage in your community? A new sewage filtration plant will solve this problem. And . . .

perhaps your city will soon have one of these disease-reducing plants which life insurance dollars are helping to build.

A Helpful Citizen in Your Community

These aids to better living are founded on the work of the *life insurance representative.* It is largely because of *his* efforts that so many people buy life insurance and pay premiums — the major part of which is invested in vital projects that benefit Canadians from coast to coast.

Thus your life insurance representative is more than a helpful advisor on financial security. He's a helpful citizen, too!

5. More silver linings will be provided by life insurance dollars, invested in government bonds, which help build new roads, schools, harbours, recreation centres.

So you can see that life insurance companies do not keep policyholders' money stored away in vaults! A large part of every premium dollar is invested in sound enterprises that help raise living standards for all!

A message from the more than fifty Life Insurance Companies in Canada and their Representatives

IT IS GOOD CITIZENSHIP TO OWN **LIFE INSURANCE**

L-798

Revise Life Insurance Act Affecting Minors' Insurance

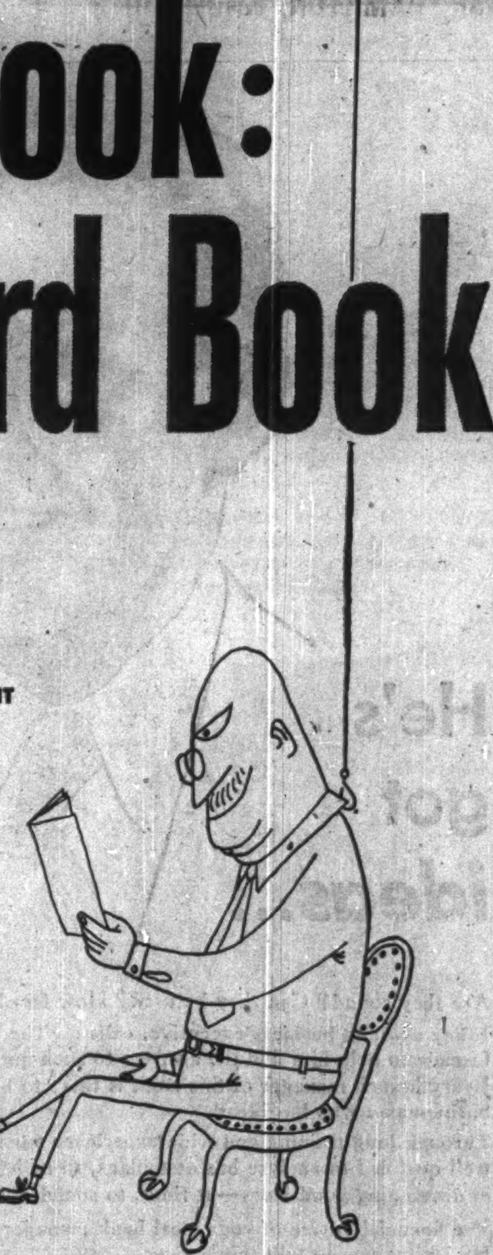
ST. ANDREWS, N.B. (Staff)—Provincial superintendents of insurance, following their annual conference here last week, have decided to recommend to the provincial legislatures for enactment certain suggestions contained in the annual report on life insurance legislation. (The Financial Post, Sept. 10.)

One amendment will affect sections 150 and 178 of the Ontario Act and comparable sections in other acts.

Amendment to section 150 doubles the amount of insurance that can be written on children under five years of age and removes restrictions on the amount that can be written after age 5. Amendment of section 178 simplifies the wording of that clause.

Another recommendation to be made affects the Fraternal Societies. In the past, cases have occurred where a fraternal society planning to make changes in premium rates etc., have done so by advertising in the Society paper. Sometimes these notices were never seen by the members of the society. The new amendment requires such notices to be sent to the member of the society by registered mail, in all cases where the members rights are affected.

reader hook: Oxford Book



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P97

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ISLAND MOUNTAIN MINES reports that labor supply is no longer a problem. President F. W. Guernsey states that the mine has all the men it can use and that the proportion of experienced men is steadily increasing. Operations are being maintained at 120 tons daily.

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18-7

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TORONTO

Quebec to Write New Insurance Law Revision in Other Provinces Held Up

By D. G. MACLEAN

ST. ANDREWS, N.B.—Quebec Province plans to enact an entirely new insurance act for the first time, taking its insurance legislation out of the Civil Code and setting up a purely insurance law. That was the big news that came out of the annual conference of the provincial superintendents of insurance here last week.

The announcement, made originally at the Canadian Bar Association at Banff, passed almost unnoticed among such topics as divorce, open Sundays, etc. But in insurance circles it was regarded as one of the most important developments in recent years. A commission has been appointed and is expected to get to work on its big job almost immediately.

The commission is charged with two responsibilities:

1. To draft amendments to existing general legislation affecting insurance contracts as soon as possible.

2. To draft a special new insurance act.

With the common law provinces studying revision of the Uniform Insurance Acts in force in their jurisdictions, it is believed a high degree of uniformity in insurance legislation of Quebec and the province having the Uniform Insurance Act will now be possible.

Members of the Quebec Commission announced at the conference are, Bernard Devlin, K.C., Quebec City; Gerard Trudel, K.C. and Marcel Faribeault, N.P. of Montreal.

Who Will Be First

From here on in, considerable competition between the common law provinces and Quebec, to see who will get the law revision job completed first, is expected. In some quarters it is hoped co-operation between the legislation committee of the superintendents and the Quebec Commission may enable a high degree of uniformity in the legislation of both groups.

At present, Quebec's insurance law is found in the Civil Code in which there has been relatively little revision. In the common law provinces, practical uniformity has been attained in most lines of insurance legislation, (other than marine). But some of the conditions and regulations have been in existence since about 1878 with little change and it is felt the time is ripe for revision. A committee of the superintendents has been working on this for some years but because of the different interests involved has made slow progress. In most quarters, the feeling is that some revision of the law affecting insurance other than life and marine is due. But opinions vary as to how such revision should be accomplished and how far it should be carried. Meantime because of lack of unanimity of opinion revision is held up.

Eliminate Statutory Conditions

At the 1947 conference, after some years of discussion, the superintendents believed general sentiment favored revision by eliminating as far as possible the statutory conditions from the fire policy. They felt instead, certain "contract control" provisions should be inserted in the general act to safeguard policyholders' rights.

The 1948 conference considered a revised policy eliminating much of the material in the existing policy, most of the statutory conditions being inserted in the substantive law. The new sections of the substantive law were designated "contract control." But such strong opposition developed to this that it was decided to reconsider other methods of modernizing the law, especially the fire policy. A committee of the Canadian Bar Association co-operated in preparing the report, submitted to the conference here last week (The Financial Post, Aug. 20). Here some opposition developed from those who felt that the new proposals had been prepared by lawyers without practical experience in the insurance business. Other groups urged that statutory conditions be eliminated as far as possible. Others wanted the statutory conditions reduced in number and reworded to be applicable to all classes of property insurance.

Good Enough in 1878

Superintendent R. B. Whitehead of Ontario asked if it would be feasible to modernize and simplify existing fire statutory conditions and make them applicable to all classes of property insurance. Opposition to the elimination of statutory conditions he declared was due to a belief that it would prevent uniformity in contracts.

Opinions Voiced

Chairman R. B. Whitehead asked for opinions. Some voiced were:

Eason L. Haines, K.C. joint chairman of the committee of the Canadian Bar Association and the Superintendents Association reported finding a lack of unanimity in the business. Experience had shown the need of support for any changes which should be moderate. Fire insurance, he stated, was only one of several lines. He suggested further study of the statutory conditions to see what could be done in evolving conditions for all policies. Rights of agents and insurable interests were points to be considered he declared.

Wilson E. McLean, K.C., Toronto, mentioned rights of bailees as something that required a new concept.

Brendan O'Brien, Toronto felt the aim of law revision should be to reduce litigation.

Leslie Ham, general manager of the CUA, Montreal, declared that he supported change if it meant progress. But that he could not support a report the substance of which he considered some years ago and which was rejected.

R. L. Jones, research manager CUA, Toronto, stated that the statutory conditions had their inception about 70 years ago. He said if the law is to be revised a thorough job should be made of it, or else leave it alone.

He did not think the matter had been given the consideration it deserved. For example, it's difficult to make the fire statutory conditions agree with those for plate glass. Fire was a man-made peril, windstorm is not and its hard to make a set of statutory conditions that would be applicable to both, he declared. He suggested that the matter be explored again with all interested parties being consulted.

Opposed to Rigid Control

W. D. Baldwin of Montreal representing the All Canada Insurance Federation declared the Federation was on record as being opposed to any rigid control of selected perils. He asked who was meant in a reference in the report to those who want and need insurance law reform.

W. W. Foot believed it might be possible to get uniform statutory conditions of various perils but in answer to a question by Mr. Whitehead he said he was doubtful of its value.

Ready To Co-operate

D. B. Hall, chairman of the Independent Automobile and Casualty Underwriters Conference said his organization was ready to co-operate with all concerned.

Walter Tomenson, Toronto, chairman of the Federated Insurance Agents committee would like to have his organization represented on any composite committee that might be formed, urged that the CMA, boards of trade should also be represented. He did not agree with a statement made by another that changes must necessarily be made all at once Progress can be made by steps he said. Cecil Stuart of Toronto believed the public should be able to buy insurance without interference from statutes.

Others supporting possibility of composite committee included J. G. Malcolm representing the Independent Fire Insurance Conference and Harry Bell of the Royal, R. D. Bedolfe (Continental Casualty) did not think it necessary to ask industrialists to sit in on discussions. S. M. Elliott of Montreal urged the insurance industry to arrive at some definite conclusion. H. S. Shurtleff of the Canadair Manufacturers' Association wondered if it would be possible to retain statutory conditions applicable to all, with separate conditions for special perils.

Quebec Superintendent Georges La France also urged the industry to take some definite actions.

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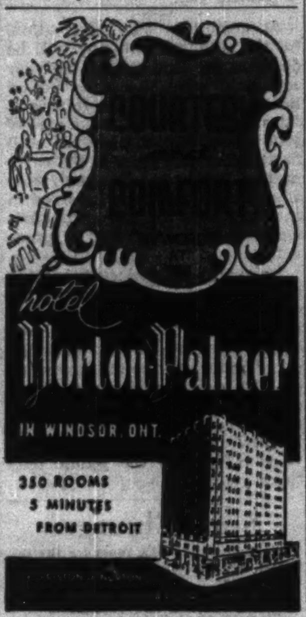

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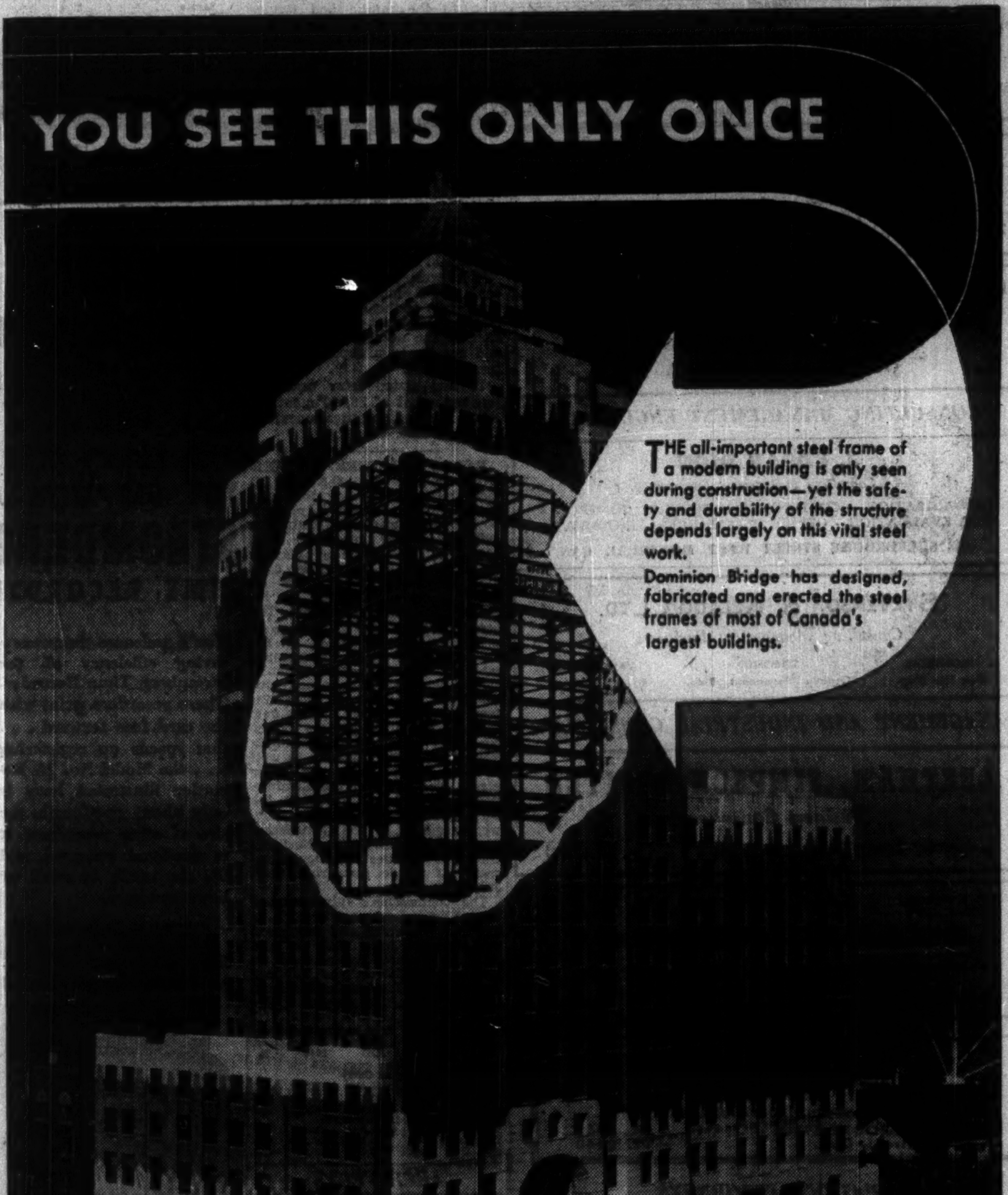

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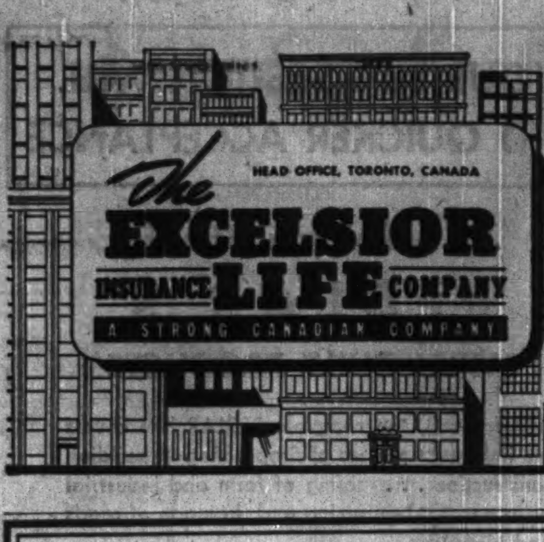

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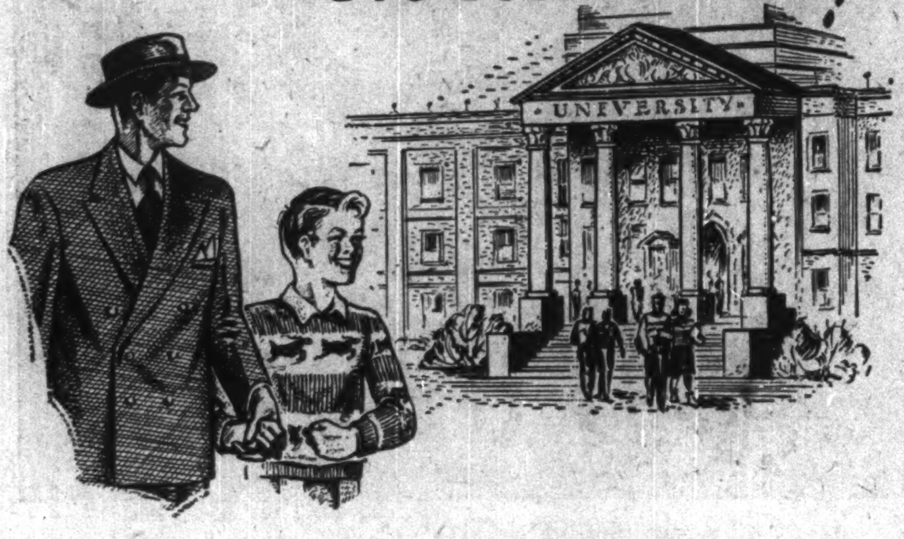
You'll be going to University, son—
I've seen to that!



"My youngster is going to University." How often have you made this statement? How sure are you of the financial ability to carry it out?

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Burroughs Machines Buys Acme Carbon

Acme Carbon & Ribbon Co., Toronto manufacturers of carbon paper, business machine ribbons and ink, has been purchased by Burroughs Machines, Ltd., Windsor, Ont., a subsidiary of Burroughs Adding Machine Co., John S. Coleman, Burroughs president, has announced.

Acme will continue its operations as a subsidiary of Burroughs, Mr. Coleman stated. J. A. Campbell, formerly president of Acme, will remain in charge as its general manager.

ASCOT METALS CORP. has started diamond drilling from its 3rd level station to cut ore at the 4th horizon, officials state. The shaft has been dewatered to the 3rd level and the company proposes to proceed with the opening up of three new levels of which the 4th will be the first.

Bank Debits Up 4.2% in July

4 of 5 Economic Areas Gain But Percentage Gain Smallest This Year

Reflecting the continuing high level of economic activity in Canada, bank debits (cheques cashed against individual accounts) were 4.2% higher in July compared with the same month of last year.

The July total was $7,017 millions with four of the five economic areas recording increases. Quebec declined slightly, largely because of a drop of nearly 1% in Montreal. The Maritimes, reflecting the inclusion of St. John's Newfoundland, gained 7.4%. Ontario rose 8.5% over the previous year, the Prairie Provinces 2% and British Columbia 2.1%.

The gain of 4.2% in July was the smallest over-all increase this year and was the month in which the largest number of centres showed declines, with 13 of the 33 centres recording percentage losses. Greatest losses were 24.1% in St. John's, 7.5% in Halifax and 7.3% in Saskatoon. Largest gains—23.8% in Calgary, 21.2% in Lethbridge, 18.8% in Victoria.

Cheques cashed during the first seven months of 1949 were at record levels. The total of $48.2 billions was up 7.7% from 1948's $44.8 billions with all five economic areas showing advances. The Prairies gained 17.2%, Maritimes and Newfoundland 12%, British Columbia 8%, Ontario 6.3% and Quebec 3.9%. Only centres recording declines were Saint John (9.5%) and New Westminster (6.8%). Lethbridge and Calgary were in the lead with gains of 32.2% and 25.1% respectively.

Monthly comparisons follow:

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS
(Millions of $ in July)

Prov. and Clearing House Centres:	July 1949	June 1949	July 1948
Maritimes & Nfld.:			
Halifax	100.8	100.0	108.8
Moncton	33.9	38.5	29.3
Saint John	42.8	42.0	56.4
St. John's	31.7	37.4	....
Total	209.0	217.9	194.5
Quebec:			
Montreal	1,780.0	1,872.9	1,795.6
Quebec	223.0	186.2	211.5
Sherbrooke	23.8	25.3	24.1
Total	2,026.8	2,084.4	2,031.2
Ontario:			
Brantford	35.8	37.6	35.2
Chatham	27.1	24.8	23.3
Fort William	19.9	20.7	20.1
Hamilton	172.0	200.3	164.6
Kingston	20.7	22.9	20.9
Kitchener	39.4	42.6	38.9
London	97.6	108.4	91.3
Ottawa	271.9	307.4	287.0
Peterborough	25.8	25.2	22.7
St. Catharines	33.1	35.5	31.2
Sarnia	27.4	27.9	25.5
Sudbury	22.7	22.7	20.7
Toronto	2,107.2	1,975.3	1,891.9
Windsor	122.6	128.7	112.0
Total	3,023.3	2,980.0	2,785.4
Prairies:			
Brandon	12.3	12.5	10.8
Calgary	193.7	207.2	156.4
Edmonton	149.0	160.1	135.5
Lethbridge	20.1	21.9	16.6
Medicine Hat	8.2	8.9	8.7
Moose Jaw	18.7	21.1	17.8
Prince Albert	10.3	10.1	9.7
Regina	90.8	108.8	97.6
Saskatoon	37.7	41.5	40.6
Winnipeg	615.6	669.2	640.9
Total	1,156.3	1,281.3	1,134.6
British Columbia:			
New Westminster	27.2	28.1	27.4
Vancouver	474.4	536.5	477.9
Victoria	100.3	88.1	84.4
Total	601.9	652.7	589.7
Total for Canada	7,017.4	7,216.3	6,735.6

Waterous Ltd. Cuts Common Dividend

Waterous Ltd., Brantford, Ont. has announced a reduction in common share dividend from 20c quarterly to 10c payable Oct. 15 to shareholders of record Sept. 30.

The summer months have been particularly quiet in the production of new orders in the manufacturing end of the business. To adequately protect working capital position, directors felt such action was in the best interests of the shareholders, it is stated.

Earnings for the first six months were down slightly at $119,882 against $132,504. Sales were up 11% but higher costs and additional depreciation and taxes more than offset the increase. In all 1948 earnings were equal to $2.19 a common share.

COMPANY REPORTS

NATIONAL STEEL CAR CORP. net profit for the year ended June 30, 1949 was up 37.5%. There are on hand domestic orders which will occupy the company until the end of this calendar year.

The railway companies, most important customers, need additional equipment but their ability to place orders will depend upon early relief from the current adverse earnings picture, it is said. Export business will depend largely on satisfactory monetary terms and conditions of sales being made possible.

Operations were suspended for some weeks on account of a labor controversy but a settlement has been effected. During the year inventories were reduced $1,698,023.

INCOME ACCOUNT

Years Ended June 30	1949	1948
Net earnings	$3,591,486	$2,593,003
Less: Depr. & depl.	220,084	176,810
Income tax res.	1,304,400	913,000
Net profit	2,067,002	1,503,193
Less: Divds.	1,228,500	1,053,000
Surplus for year	838,502	450,193
Earnings per Share and Dividend Record:		
Common	$2.94	$2.14
Paid	1.50+0.25	1.50

CONDENSED CONS. BALANCE SHEET

As at June 30:	1949	1948
Cash	$996,743	$1,375,531
Mkt. secs.*	6,578,512	4,011,667
Guar. certifs.	1,000,000	......
Accts. rec.	378,390	1,605,304
Life ins., c. s. v.	58,214	48,905
Inventories	3,162,691	4,860,714
Total curr. assets	12,174,550	11,902,121
Prepd. exps., etc.▲	287,815	478,810
Fixed assets	9,463,730	9,208,874
Total assets	21,926,095	21,589,805
Accts., etc., pay.	1,011,437	2,416,191
Taxes pay.	842,756	200,767
Divd. pay.	263,250	263,250
Total curr. liab.	2,117,443	2,880,208
Depr. & depl. res.	6,690,204	6,403,246
Capital stock	5,092,500	5,092,500
Surplus	8,025,948	7,213,851
*Mkt. val.	6,564,825	4,017,667
▲Incl. ref. EPT	220,024	348,731
Working capital	10,057,107	9,021,913

BANK OF CANADA

	Sept. 1 1949 $	Aug. 31 1949 $
Liabilities		
Capital paid up	5,000,000	5,000,000
Rest. fund	10,050,387	10,050,387
Notes in circ.	1,285,531,845	1,289,731,161
Deposits: Dom.	91,806,494	109,677,733
Chart. banks.	590,586,536	577,977,152
Other	58,012,505	61,831,988
Total deposits	740,405,535	749,486,872
Liabs. payable in sterling U. S. A. and foreign gold currencies:		
(a) to gov. of Can.	58,017,528	60,718,744
(b) to other	22,526	22,526
Total	58,040,054	60,741,270
All other liab.	19,824,659	23,400,514
Total liabs.	2,118,852,260	2,118,410,185
Assets		
Sterling & for'n	53,040,054	55,741,270
Other curr.	39,016	40,441
Total	53,079,070	55,781,711
Subsid. coin	253,107	267,896
Investments:		
Gov. sh. term	1,554,570,184	1,557,247,026
Oth. gov. sec.	435,832,238	441,242,872
Other secs.	5,000,000	5,000,000
Total invest.	1,995,402,422	2,003,489,898
Total share cap. at cost	25,000,000	25,000,000
Premises	3,442,422	3,442,543
All other assets	41,675,239	30,428,137
Total assets	2,118,852,260	2,118,410,185

Imperial Rattan To Up Production

A reorganization of the board of directors and officers of Imperial Rattan Co., Stratford, has been made in preparation for increased production, expected early in 1950, when the company moves to its new factory recently purchased from Canadian Wooden Aircraft Ltd. After extensive alterations in its new Stratford location, the company will have approximately twice the floor space and much more yard space than the present plant, it is said.

W. H. Hemphill and J. E. Amsbary, C.A., were elected directors of the company at the annual meeting. Officers of the company are now: H. W. Strudley, Chairman of the Board, D. B. Strudley, president and general manager, F. Dewdney, vice-president, manufacturing, W. H. Hemphill, vice-president, sales and A. E. Amsbury, C.A., secretary and treasurer.

TOWN OF LEASIDE, Ont. new issue of $257,900 of 3% debentures maturing in 10, 15 and 20 instalments have been sold to a syndicate comprising J. L. Graham & Co. and Fairclough & Co. at a price of $98.077. Six tenders were received. Proceeds are for public and high schools, park improvements, fire equipment and erection of memorial library.

INTERNATIONAL HYDRO-ELECTRIC SYSTEM'S trustee Bartholomew A. Brickley has filed a petition in U. S. Federal District Court at Boston seeking approval of payment of $478,224 as interest due Oct. 1 on the system's outstanding convertible 6% debentures. Petition will be heard on Sept. 19.

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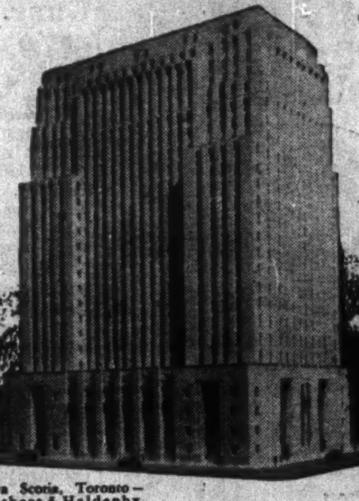
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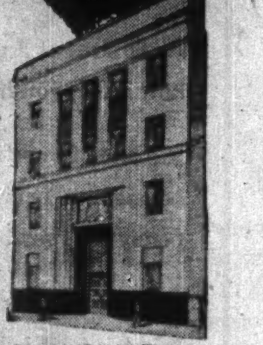
Barclay's Bank, Toronto—*Architect*, N. A. Armstrong, Toronto. *Consulting Architects*, Mathers & Haldenby, Toronto

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Architect, Charles B. Dolphin, Toronto

Steel Co. of Canada, Ltd., Hamilton
Architects, Wm. R. Souter & Associates, Hamilton

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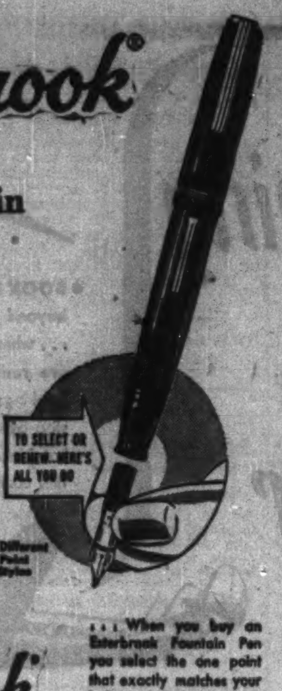
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Manager

Mr. H. G. SCOTT

Maclaren P & P Earnings Near Previous Year

MONTREAL (Staff) — With its newsprint operations at capacity and improved water conditions for its electric power production the latter half of this year, earnings of Maclaren Power & Paper Co. are expected to approximate 1947-48 results, The Financial Post is informed. Fiscal year ends Nov. 30.

No shortage of water is anticipated this winter if there's normal rainfall in the fall. Last year, income of its subsidiary, Maclaren-Quebec Power Co., was reduced because its power output had to be cut back due to lack of rainfall in the Lievre River watershed. Power is sold to the Ontario Hydro and to the company's other wholly owned subsidiary, The James Maclaren Co., which operates the newsprint and lumbering division of the company.

Although no additions to generating capacity are planned at present, the company has undertaken surveys, now in process, to investigate possibilities of a new storage dam as insurance against recurrence of last year's water shortage, The Post is told. Location has not yet been definitely determined. Probable cost would be in the nature of $2 millions, it is understood.

James Maclaren earnings are holding up near last year's levels despite some falling off due to slack market for sulphite pulp. General newsprint exports in the nondollar markets have also diminished, but U. S. demand has been holding firm.

Pulpwood supply is good following an above average cut last year. The relatively fine fall and winter last year with a minimum of snow meant a larger cut by farmers — a source from which the company usually gets about 20% of its pulpwood. Its own woods operations this winter will be curtailed because its present pulpwood inventory is regarded as virtually adequate.

Net profit of the paper company in fiscal year ended Nov. 30, 1948, was $1,986,131; of the power company, $427,148. On a consolidated basis, this was equal to $4.83 per share of the parent company.

W. C. McKINNON, vice-president and director of sales of National Pressure Cooker Co. (Canada) has been appointed a director.

Need Rates Up For Wpg. Elec. Transit Plans

Winnipeg Electric Co. moved another step forward in its over-all transit modernization plan with the institution of trolley bus service on Corydon Ave., Winnipeg, last week end.

"In spite of the unlooked-for astronomical rise in prices we have to date kept faith with our 1945 agreement with the City Council," the company states. But unless the necessary adjustment is made in transit fares and steps are taken to modify the "exorbitant" taxes carried by the transit system the outlook for modern up-to-date public transportation is dark indeed, it adds.

Some $4 million of reserves built up in the prosperous war years have already been spent since V-J Day on transit modernization and such a pace of transit improvement cannot be maintained unless earnings are sufficient to make it possible, the company adds.

Illustrating the extent to which transit expenses have been inflated, the company states, "The average price of materials we have to use to provide transit service increased 83% and the labor costs increased 78% since 1939. These are on top of the increases before 1939. To offset these increases in the cost of service, minor changes in fares amounting to an increase of less than 8% in the average fare were authorized by the Municipal Public Utility Board last November."

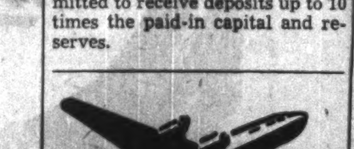
Guar. Trust Earns $77,951 In Half Will Offer Stock

Net profit of $77,951 is reported by Guaranty Trust Co. of Canada for six months ended June 30, 1949 ($130,412 for the year ended Dec. 31, 1948). On an annual basis, the earnings for the period under review, after taxes and all other charges, are equal to $8.73 a share ($7.71 for 1948).

The first half year's business was very satisfactory, with gains being made in all departments, President J. Wilson Berry advises shareholders. Deposits of $16,951,406 at June 30, were up from $16,139,895 at end of 1948, estates, etc., under administration of $39,754,095 from $37,935,677 and total assets of $58,346,614 were up from $55,697,327. Present book value of the stock is $157 per share.

To comply with governmental requirements and to make it possible for Guaranty Trust to accept additional business, an offering of stock is being made to increase the capital by $200,000. Before a public offering is made, each stockholder has the right up to Sept. 24 to purchase five shares at $125 a share. Shareholders wishing more are advised to notify the company and if there are any shares not taken up, the management will complete orders as far as possible.

Under the Trust Companies Act (Canada), the company is permitted to receive deposits up to 10 times the paid-in capital and reserves.



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Steel Industry Still B. C. Dream

From Our Own Correspondent

VANCOUVER—Possibility of establishing a steel industry on the Pacific Coast has been removed, for the present at least, following the Federal Government's decision to drop its subsidy plans.

The scheme, announced by Ottawa, early this year was to provide dollar for dollar with private interests for erection or expansion of a basic steel plant.

At least two B. C. firms seemed interested:

Canadian Collieries (Dunsmuir) Ltd. studied plans to build an electric furnace and use their own Vancouver Island power to smelt local iron ores. This has been dropped.

Consolidated Mining & Smelting Company's furnace which is expected to reduce tailings at the vast Kimberley mine into pig iron, will probably be used for company consumption only.

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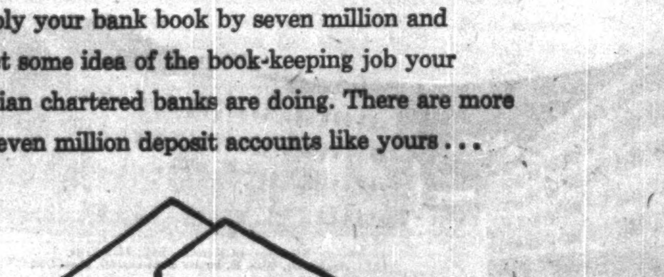
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FOR OVER two centuries, Canada has been the land of opportunity to settlers from almost every country in the world. Much of our strength and vitality stems from this blending of racial and cultural heritages.

It is a matter of pride to all Canadians that so many races, without sacrificing their national characteristics, have united themselves into one great citizenship—the Canadian Family.

Gallant Belgium, whose poppy-carpeted fields of Flanders hold tender memories for many Canadians, has sacrificed much in the cause of freedom. Comprising two distinct racial groups—the Flemings and the Walloons—she has given many of her sturdy sons to Canada.

Among them have been many distinguished figures in Canadian arts and sciences. The majority, however, specialize in agriculture and have done much to stimulate tobacco-growing in Ontario and Quebec. In the mid-west many have become successful dairymen.

A devout, thrifty and dependable people, they have earned the respect of their fellow-citizens for their contribution to Canada's progress.

Calvert DISTILLERS (Canada) Limited
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Calvert, Secretary of State to King James 1, and head of the famous Calvert family, founded one of Canada's first colonies in Newfoundland in 1622. Calvert and his descendants fostered the principles of religious tolerance and democratic freedom and thus helped sow the fertile seed of democracy in the New World.

DIVIDEND NOTICES

THE DOMINION BANK

DIVIDEND NO. 268

Notice is hereby given that a dividend of twenty-five cents per share upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1949. The dividend will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the first day of November, 1949, to shareholders of record of the 15th October, 1949.

By Order of the Board.
A. C. ASHFORTH,
General Manager.
Toronto, 8th September, 1949.

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 251

NOTICE is hereby given that a DIVIDEND OF TWENTY CENTS per share on the paid-up Capital Stock of this Bank has been declared for the quarter ending 31st October, 1949 and that the same will be payable at the Bank and its Branches on and after TUESDAY, the FIRST day of NOVEMBER next, to Shareholders of record at the close of business on 30th September, 1949. The Transfer Books will not be closed.

By Order of the Board.
JAMES STEWART,
General Manager.
Toronto, 9th September, 1949.

The Toronto Mortgage Company

QUARTERLY DIVIDEND

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on
1st October, 1949,
to shareholders of record on the books of the Company at the close of business on the 15th instant.

By Order of the Board,
CHARLES J. PETTIT,
Acting Manager.
8th September, 1949.

Canada Varnish Company, Limited

DIVIDEND NOTICE
Preference Shares

A dividend of Thirty-one and one-quarter cents (31¼c) per share on the 5% Cumulative Redeemable Preference Shares of the Company has been declared for the three months ending October 1st, 1949, payable on October 1st, 1949, to Shareholders of record September 21st, 1949.

By Order of the Board.
G. I. TAYLOR,
Secretary.
Toronto, September 8, 1949.

Canadian Bronze Company, Limited

DIVIDEND NOTICE

The Quarterly Dividend of 1¼% on the PREFERENCE STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of November, 1949, to Stockholders of record as of the 10th day of October, 1949.

Also a Quarterly Dividend of Thirty-one (31c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending October 31st, 1949. Payable the 1st day of November, 1949, to Stockholders of record as of the 10th day of October, 1949.

By Order of the Board,
W. C. PAQUETTE,
Secretary.
Montreal, P.Q.
September 7th, 1949.

Montreal Locomotive Works Limited

DIVIDEND NO. 14

A quarterly dividend of 40 cents per share on the common stock of this company has been declared payable October first, 1949, to holders of record at the close of business on September nineteenth, 1949, subject to the approval of The Foreign Exchange Control Board.

Transfer books will not be closed.

CARL A. SUNDBERG,
Secretary.
September 7, 1949.

SUN LIFE ASSURANCE COMPANY OF CANADA

Head Office: Montreal
STOCK TRANSFER DEPARTMENT

Notice is hereby given that a dividend of five dollars ($5.00) per share on the Capital Stock of the Company has been declared for the quarter ending September 30th, 1949, and will be paid on October 1st, 1949, to shareholders of record at the close of business September 15th, 1949.

The Stock Transfer books of the Company will be closed from September 16th to September 30th, both dates inclusive, for preparation of the above dividend.

By Order of the Board,
F. J. CUNNINGHAM,
Secretary.

The Sherwin - Williams Company of Canada, Limited

Notice is, hereby, given that the one hundred and fifty-third quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum, for the quarter ending August 31, 1949, on the Preferred Stock of the Company, has been declared payable October 1, 1949, to Shareholders of record the 14th day of September, 1949.

By Order of the Board.
P. W. HOLLINGSWORTH,
Secretary-Treasurer.
Montreal, Que.
September 7, 1949.

The Sherwin - Williams Company of Canada, Limited

Notice is, hereby, given that a quarterly dividend of Twenty Cents (20c) per share, for the quarter ending August 31st, 1949, has been declared on the Ordinary Stock, without nominal or par value of the Company, payable November 1, 1949, to Shareholders of record the 10th day of October, 1949.

By Order of the Board.
P. W. HOLLINGSWORTH,
Secretary-Treasurer.
Montreal, Que.
September 7, 1949.

DIVIDEND NOTICES

Donnell & Mudge Limited

DIVIDEND NOTICE

Notice is hereby given that the Directors of Donnell & Mudge Limited have declared the regular quarterly dividend of 25c per share on the outstanding Class "A" Shares of the Company, for the quarter ending 30th September, 1949, payable 1st October, 1949, to holders of record at the close of business on the 20th day of September, 1949.

By Order of the Board.
H. C. DWYER,
Secretary.
Dated at New Toronto, Ontario.
12th September, 1949.

Agnew-Surpass

SHOE STORES LIMITED

42ND CONSECUTIVE DIVIDEND

A dividend of fifteen cents (.15c) per share on all issued Common Shares of the Company has been declared payable December 1, 1949, to shareholders of record as at the close of business October 31, 1949.

By Order of the Board.
K. R. GILLELAN,
Vice-Pres. and Sec. Treas.
Brantford, September 8th, 1949.

Dominion Glass Company Limited

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of September, 1949.

Notice is also hereby given that a dividend of Twenty-five cents (25 cents) per share has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of September, 1949.

The above Dividends will be paid on Saturday, the 15th day of October, 1949, to Shareholders of record at the close of business Tuesday, the 27th day of September, 1949.

By Order of the Board.
F. N. DUNDAS,
Secretary.
Montreal, 24th August, 1949.

The B. Greening Wire Company Limited

COMMON DIVIDEND NO. 48

NOTICE IS HEREBY GIVEN that at a meeting of the Directors of The B. Greening Wire Company Limited, held in the office of the Company on August 29th, 1949, a dividend of Five cents per share on the Common Shares of the Company was declared payable October 1st, 1949, to shareholders of record September 15th, 1949. At this same meeting an extra dividend of Five cents per share on the Common Shares of the Company was declared payable October 1st, 1949, to shareholders of record September 15th, 1949.

F. J. MAW,
Secretary.
Hamilton, Ont., September 2, 1949.

DIVIDEND NOTICE

T. H. ESTABROOKS CO. LIMITED

"Red Rose Tea and Red Rose Coffee"

Notice is hereby given that the quarterly dividend (26 cents per share) on the 4.16% Cumulative Redeemable Sinking Fund Preferred Shares (par value $25.00 per share) of the Company has been declared payable October 15, 1949, to shareholders of record at the close of business September 16, 1949.

By Order of the Board.
J. B. BRYDON,
Secretary-Treasurer
Saint John, N.B., August 30, 1949.

DOMINION SQUARE CORPORATION

Notice is hereby given that a dividend of seventy-five cents (75c) a share has been declared on the capital stock of the Corporation for the quarter ended 31st July, 1949, payable 15th October, 1949, to shareholders of record at the close of business on the 15th September, 1949.

By Order of the Board,
J. S. McFARLAND,
Secretary.

MAILMAN CORPORATION LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of twenty-five cents (25c) per share has been declared on the outstanding Common Shares of the Corporation for the quarter ending July 31st, 1949, payable September 30th, 1949, to Shareholders of record at the close of business on September 15th, 1949.

By Order of the Board.
WM. F. MACKLAIER,
Secretary.
Montreal, September 7th, 1949.

BRALORNE MINES LIMITED

(Non-Personal Liability)

DIVIDEND NO. 50

NOTICE is hereby given that an Interim Dividend of 10 cents per share has been declared on the paid-up capital stock of the Company, payable on the 15th day of October, 1949, to shareholders of record as of September 23rd, 1949.

By Order of the Board.
RONALD H. GRACE,
Secretary Treasurer
Vancouver, B.C.
September 6th, 1949.

Does U. S. Mean Business Now on Customs?

(Continued from page 13)

had to deal with these matters are persuaded that much can and must be done to increase both the speed and certainty of decisions without imposing any very serious handicaps on the other side.

Much will depend here on the general approach of the U. S. Customs authorities to their work and responsibilities.

Let's remember that the purpose of the U. S. Customs Act as set down by Congress is "an Act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor and for other purposes."

In the Canadian view this broad purpose has, for the last 20 years or more been interpreted very much in the spirit of keeping goods "out" of United States.

What's argued at Ottawa is that whereas since 1934 the treaty-making authorities under the leadership of Cordell Hull and the State Department have been liberalizing the U. S. tariff structure, another department of government (the U. S. Treasury, which administers the Customs Act) has been making no similar strides toward liberalization.

Since Canada's frontal attack on this question in 1946 much useful work has been done. There's evidence that even before the talks of last week, the U. S. Treasury has been actively at work to see what could be done to meet the demand for change.

The Valuation Problem

One important move involved the third part of this problem: basis of valuation.

This is the question which Canada pursued most actively at Geneva and with considerable success. In a word, this was an attempt to change the present U. S. basis of valuation so as to get a customs law which more closely matched ordinary commercial practice.

One very common Canadian complaint concerns the manufacturer who gets a large order from United States at a price proportionate to the size of the shipment.

Let's suppose the selling price on his prospective export order is $1 per item and the tariff rate 25%. If the order were for, say, a million pieces, the basic tariff (oversimplified of course) would be $250,000.

Yet under existing U. S. law, the customs appraiser is required to seek out the "foreign value" of these goods as well as the export value, and to charge whichever is higher.

What's more, the foreign value has to be the price at which "merchandise is freely offered for sale for home consumption to all purchasers in the principal markets of the countries from which exported in the usual wholesale quantities and in the ordinary course of trade."

Thus if our Canadian manufacturer, in the much smaller and different Canadian market, had done business with the trade in say, lots of 10 or 25 items, he would be forced to invoice his million-item shipment to the U. S. at the prices charged his Canadian customers—even if these were double the price to the mass U. S. market.

Under the new basis of valuation as agreed to at Geneva and Havana, the United States would be required to change its laws and conform to "actual value"—the price at which "such or like merchandise is sold or offered for sale under fully competitive conditions."

ECA Speeds Action

It had been expected that if Congress had approved the ITO Charter at this session the U. S. would have then submitted concurrent or subsequent legislation to bring its laws into line with the Geneva and Havana charters.

But the ITO Charter is now at the bottom of the heap in Washington. And if it hadn't been for last week's conference, it might still have been some considerable time before any new commitment was made for action.

As it is, it is expected that a new legislative package on customs legislation and procedure will now be presented to Congress in 1950—irrespective of ITO.

Assisting very materially in pushing this along has been the ECA administration at Washington.

In their anxiety to increase dollar earnings of ECA countries Mr. Hoffman and his administration have seized on customs administration and techniques as one of the ways in which U. S. can move to help restore greater equilibrium in world trade. Thus the support of ECA and of the State Department has been added to the present activity in the Treasury itself.

As well, individual customs officers in United States have done a great deal to assist Canadian exporters.

One of these is E. J. Cannon, Appraiser of Merchandise at Buffalo. Mr. Cannon, well-known to many Canadian businessmen, just recently addressed a letter to present and prospective users of the Buffalo customs offices encouraging them to come and discuss their problems and offering his help and co-operation.

This letter was in response to a general directive from Washington which asked customs appraisers throughout United States to co-operate in streamlining the customs service.

Here at least is concrete evidence of a new spirit. Too often in the past the Canadian exporter, frustrated beyond all measure, has been moved to complain that:

"It would seem that U. S. customs authorities are going out of their way to find some excuse or reason why Canadian goods should not be allowed into the United States."

It remains to be seen what positive action is taken from here on. But, at least, the promise is there, on record.

Trade Breathing Easier Over Washington Reports

Special Correspondence

WINNIPEG—The grain trade which has been anxiously watching the progress of negotiations at Washington was breathing a bit easier this week following indication that a favorable adjustment could be expected on the allotment of Britain's ECA dollars from the United States for purchase of Canadian wheat.

Without such an arrangement there would be doubts as to the ability of the United Kingdom to carry out its obligations during this, the final year of the wheat contract for purchase of 140 million bushels at the level of $2 per bushel. In spite of earlier assurance from London and Ottawa that this arrangement was not in danger, there has been considerable anxiety. Perhaps even more important will be assurance of British ability to continue large scale purchase of Canadian wheat in subsequent years. Indirectly, such an arrangement, if carried through, may improve British ability to buy oats and barley from Canada.

Weather Hits Crops

The sudden advent of cold and wet weather has not only created threshing difficulties for all farmers whose crops are still in the field, it has damaged materially a good deal of standing crop not yet cut, especially in Alberta, where a great deal of grain will lose in grade, and where adequate filling of kernels not yet ripe will be prevented. Until the end of last week harvest and threshing had been carried on over much of the west in very dry weather enabling the crop to be delivered to country elevators with unprecedented speed. Railways have been moving grain forward from country elevators to terminals at a very rapid rate, although even that has not prevented a great deal of country elevator congestion. Grain cars have been arriving at the Lakehead more rapidly than they could be unloaded, and the accumulation of cars there, with delay in return of empties, has proved the only impediment to the rail movement of grain. Now both threshing and delivery of grain will be delayed until the crop is dried out sufficiently to be handled.

Until the end of last week delivered grain had been extraordinarily dry, some of it containing as little as 10% or 11% moisture against 14% to 14½% which is normal. One effect was extensive breakage of brittle kernels for which special provision had to be made by the Board of Grain Commissioners in grading regulations. From now on grading difficulties will be expected from grain having too much moisture instead of too little.

Price Picture

The Canadian Wheat Board continues to sell to international agreement countries, other than the United Kingdom, on the basis of the maximum of the agreement price of $1.80. To countries not party to the agreement, the price is subject to daily fluctuations based on changing world conditions, most importantly, in the U. S. Recently, this export price has been as high as $2.11, somewhat above the current quotations on the Chicago market for future delivery. The trade infers from the strength of this price that the Wheat Board is not finding too much difficulty in making sales of the limited quantities available after requirements of the International Wheat Agreement and the U. K. contract have been met. Prices for oats and barley have continued strong, partly because new crop arrivals at terminal elevators has so far been limited and not greater than the current cash demand would absorb. Barley is strong because of an accumulation by exporting companies of malting barley for shipment to the U. S., where the demand seems likely to absorb most of the barley that will be available above Canadian domestic needs. Canadian maltsters have had to advance their bids to insure current supplies.

Grain Prices

Winnipeg Grain Futures

Week to Sept. 12, 1949

Crop year from Aug. 1, 1949 High	Low		High for week	Low for week	Close Sept. 12
		Oats			
.78¼	.72¼	Oct.	.78¼	.74¾	.78¼
.74½	.69⅞	Dec.	.74½	.71⅝	.74⅝
.73½	.69⅝	May	.73½	.71⅛	.73⅜
		Barley			
1.36¼	1.15¼	Oct.	1.36¼	1.29¾	1.35¼
1.29⅞	1.10⅛	Dec.	1.29⅞	1.23¾	1.29⅛
1.25½	1.09⅛	May	1.25⅛	1.18⅞	1.24⅞
		Rye			
1.42⅞	1.28	Oct.	1.38¾	1.32¾	1.37⅛
1.42¾	1.30	Dec.	1.40	1.34¾	1.38⅝
1.45⅛	1.32⅛	May	1.43¾	1.37⅞	1.42½
		Flax			
3.73	3.33	Oct.	3.73	3.67	3.72
3.73	3.30	Dec.	3.73	3.65	3.71

Cash Quotations

For Week

	Sept. 12 High	Sept. 12 Low	Prev. Week High	Prev. Week Low
Oats				
2 C. W. ..	.75⅝	.75¼	.75⅛	.73⅝
3 C. W. ..	.73⅛	.73	.73¼	.70⅞
Barley				
1 Feed ..	1.36	1.32⅞	1.30¾	1.22
2 Feed ..	1.36	1.32¾	1.29⅞	1.21
Rye				
2 C. W. .	1.36½	1.34½	1.31⅝	1.27¼
Flax				
1 C. W. .	3.72	3.67½	3.66	3.41

COMPANY REPORTS

CANADA PACKERS LTD. net profit for the year ended March 30, 1949, was up 28.6%. Dollar sales set a record of $314,918,888 as compared with $238,454,037 the previous year. Net profit was equivalent to 0.89% of sales (0.91%).

Out of each sales dollar there was paid 84.42c (81.37c in previous year) for raw materials, chiefly livestock and other farm products; 7.02c (8.48c) for wages, salaries and bonus; 3.65c (4.36c) for services; 2.69c (3.12c) for materials and packages; 0.83c (1.08c) for taxes; 0.05c (0.02c) for debenture interest, 0.34c (0.42c) for depreciation on fixed assets and 0.24c for pension plan. The remaining 0.76c (0.89c) was profit from operations while income from investments, etc., amounted to 0.02c (0.02c) and dividends from subsidiaries was 0.11c additional.

The company shows two sets of figures in its balance sheet this year, one including certain wholly-owned subsidiaries consolidated in prior years and the other including all wholly-owned subsidiaries. Fixed assets including all wholly-owned subsidiaries are carried at $30,330,966 as against $28,802,160 for company and subsidiaries consolidated in prior years. On this same basis total current liabilities are carried at $17,796,778 and $17,402,553 respectively.

The company has three wholly-owned subsidiaries—Collis Leather Co., Aurora, acquired in 1936, Frank Hunisett Ltd., Toronto, acquired in 1941 and Beardmore & Co., Acton, acquired in 1945. The dividend of $350,000 is the first dividend received from these companies.

CONS. INCOME ACCOUNT

Years Ended:	Mar. 30 1949 $	Mar. 30 1948 $
Sales	314,918,888	238,454,037
Net earnings	7,066,079	6,433,605
Less: Deprec.	1,079,175	1,004,115
Debent. int.	144,214	50,492
Invent. res.	......	625,968
Inc. & othrer taxes	2,619,004	2,570,730
Pension fund	1,423,947	......
Less fds. in trust	657,498	......
Add: Subsids. divds.	350,000	......
Net profit	2,807,237	2,182,300
Less: Cl. A divds.	600,000	600,000
Cl. B divds.	400,000	400,000
Surplus	1,807,237	1,182,300

Note—In 1949, in addition to income tax, a tax of $760,962 was paid on the Wartime Inventory reserve, and charged against such reserves and tax reserves provided for prior years.

Earnings per Share and Dividend Record:

Class A†	$7.02	$5.46
Paid	1.50	1.50
Class B†	2.76	1.98
Paid	0.50	0.50
Cl. A & B‡	2.34	1.82

†Before (‡after) participation.

CONDENSED BALANCE SHEET

As at:	Mar. 30 1949	Mar. 31 1948
Cash	867,677	867,417
Call loan	400,000	......
Accts., etc., rec.	11,918,493	12,284,039
Investments†	357,613	753,297
C.s.v. life insur.	674,523	639,807
Inventories	19,704,282	24,930,457
Total curr. assets	33,122,588	38,071,017
Prep. exp.‡	388,058	237,152
Inv. in sub.	2,748,916	2,748,917
Ref. EPT	890,000	890,000
Fixed assets	28,802,161	27,043,462
Total assets	65,949,723	69,390,548
Bank loan	1,879,357	10,537,604
Accts. & tax pay.	13,023,196	12,209,689
Debents. due	2,000,000	2,000,000
Divds. pay.	500,000	500,000
Total curr. liab.	17,402,553	25,247,293
Funded debt	5,000,000	3,000,000
Funds in trust	......	582,490
Deprec. reserve	19,382,241	18,303,065
Appraisals surp.	3,663,432	3,663,432
Capital stock	1,438,284	1,438,284
Surplus	17,063,213	15,258,076

†At less than market value.
‡Incl. in curr. assets in co's report.

Working capital	15,720,035	12,823,724

OIL PRODUCTION

Big Gas Show, Some Oil At Pacific Pete. Well

From Our Own Correspondent

CALGARY—A gas flow of 20 million cu. ft. daily plus a water-free rise of 90 ft. of oil is reported from the D-1 zone of the Devonian at the Calahoo wildcat of Pacific Petroleums. This well is located about 20 miles northwest of Edmonton and about 30 miles southwest of the big Redwater oil field.

Gravity of the oil was 32 deg.

Following the initial showing, coring and testing is being continued at 5-ft. intervals.

The test well is located on a 3,200-acre seismographed farmout of Imperial Oil. Pacific Pete. has provided the cost of the first well, Imperial will have a 50% stake in any production in the future and would share additional development costs.

• • •

New Pacalta No. 3

New Pacalta Oils, Lloydleduc, Freehold Oil, Granleduc Oils and the George Richardson trust are starting a third well in the Whitemud area. A first well proved a good producer but a second well a quarter mile to the north failed to find commercial production.

The latest well, New Pacalta-Whitemud No. 3 well, is located about 200 ft. south and 180 ft. west of the No. 2 abandonment. Imperial Oil has recently completed two successful wells in the Whitemud area, has had one failure.

• • •

Oil Sands Suspends

The Alberta Government oil sands test plant at Bitumont will be closed down about the end of September. Employees of the plant will be given employment at Edmonton, will return to their jobs after the breakup.

One of the main worries at the plant is the water intake which is close to a sand bar which may block the pumping system. Consideration is being given to the building of a $50,000 water line up the Athabasca River to a point where there is little danger of sand bars.

Suggestion that gasoline taken from the oil sands would retail around $1 a gallon has been termed "fantastic" by an official. Such speculation is stated to be a long way out of line from information available at the present time. However, there is definitely a lot more testing to be done.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)
Sept. 13, 1949

Public Utility Issues:	Rate %	Due	Bid	Ask.	Prev. Week Bid
▲Alg. Cen. H.B.R.	5	'59	79	82	68
Bell Telephone	3	'77	97½	100	97½
B.C. Electric	3½	'67	95½	98	95½
Calgary Power	3½	'72	96	...	96
East Kootenay	3½	'67	89½	...	89½
‡Gatineau Pr. D	3½	'70	101	...	101½
*Do. C	3	'70	98½	102	98½
Gt. Lakes Pwr.	3½	'67	97½	100½	97½
*Int. Hydro-El.	6	'44	62	...	61
L. St. Law. Pwr.	3½	'65	92	95	92½
Maclaren-Quebec Power	3	'69	94½	...	94½
†Mtl. Trams. A	5	'55	96½	...	96
Nat. Lt. & Pwr.	4½	'61	100	...	100
Nor. Que. Pwr.	4½	'67	98	101	98
Ott. L.H. & Pr.	4	'57	100½	...	100½
Power Corp.	3½	'67	94½	97½	94½
Quebec Power	3	'62	97½	100	97½
Saguenay Pwr.	3	'71	100½	...	100½
St. Maurice Pr.	3½	'70	98½	101½	98½
Shaw W. & Pr.	3	'61	98½	101½	98½
Shaw W. & Pr.	3	'71	95½	98½	95½
Do.	3½	'70	100	103	100
Union Gas	4½	'50	100	103	100
Un. Fuel Invest.	4	'59	101	...	101
United Secs.	3	'52	99½	...	99½
Wpg. Electric	3½	'71	102	104½	102
Industrial Issues:					
Abitibi Pr. P.	3½	'67	99	102	99
Acadia-Atlantic Sugar	3½	'65	101	...	101
Aluminum Co.	3½	'74	102	...	102
Bathurst P. & P.	3½	'68	98½	101½	98½
B.C. For. Prod.	4	'66	87	91	87
B.C. Pulp & Pa.	3½	'67	93	96	93
Bowater's Nfld. P. & P.	3½	'68	94	97	93½
Brompton Pulp & Paper	3½	'66	92	95	92
Brown Co.	5	'59	89	92	88
Burns & Co.	4	'63	96½	99½	96½
Can. Steamship	3½	'57	100	102½	100
Can. Brew.	3½	'67	92	95	92
Can. Celanese	3	'62	97½	100½	97½
Can. Oil	3½	'62	98	101	98
Can. W. Lum.	4	'62	100½	103½	100½
C.P.R.	3½	'51	101	...	101
C.P.R.	4	Perp.	109½	...	109
Cockshutt Plow Co.	4½	'65	101	103½	101
Columbia Cell.	5	'68	99	102	99
Consol. Paper	3½	'67	101	103½	101
Dom. Coal	4½	'52	100½	...	100½
Dom. Tar & Ch.	3½	'57	100½	...	100½
Dom. Textile	3½	'59	101	...	101
Dom. Woolens	5	'64	99	102	99
Dryden Paper	4	'61	100½	...	100½
E. B. Eddy	3½	'66	98½	101½	98½
E. B. Eddy	4	'66	102	...	101½
English Elec.	4	'67	95½	98½	95½
Federal Grain	4	'64	97½	100	97½
Gt. Lakes Pap.	3½	'67	99½	...	99½
Imp. Tobacco	2½	'66	96	99	96
Indust. Accept.	3½	'68	97	100	96½
Lake St. J. P.	5	'61	101½	104	101½
Lang. John A.	4½	'62	101	...	101
Laurentian Silk	4½	'67	99	...	99
MacMillan (H. R.) Ex.	4	'65	101	...	101
Maple L. M.	3½	'63	96½	99½	96
Massey-Harris	3	'66	95	...	95
Do.	4½	'63	...	...	101
McColl-Front.	3	'71	94½	97½	94½
Mercury Mills	4	'63	98½	101½	98½
Monarch Knit.	4	'66	100½	...	100½
Morgan (Henry) Prop.	3½	'67	99½	...	99½
N.S. Steel Coal	3½	'63	98	100½	98
Penman's	3½	'66	99½	102½	99½
Price Bros.	3½	'66	100½	103	100½
Silv. Dairies	4	'60-64	98	101	98
Do.	4	'71	87½	90½	87½
Simpsons Ltd.	3½	'60	101	103½	101
Stl. Co. of Can.	2½	'67	94½	97½	94½
Tor. Elevators	3½	'66	98	101	98
United Corp.	4	'38	100	103	100
United Steel	4	'60	98½	101½	98½
Un. Grain. Gr.	4	'63	100	103	100
†Western Grain	5	'63	84½	87½	84½
York Knit. Mills	3½	'71	89	92	89

*Payable in Canada or United States.
†Payable in Canada, U. S. or U. K.
°Payable in United States.
‡Payable in Canada only.
▲Payable in Canada or U. K.

Swift Settles For 6c Raise

There were encouraging signs this week that the packinghouse industry will get by this year without serious labor trouble. In Toronto, Swift Canadian Co. announced it had renewed an agreement with the CIO Packinghouse Workers, granting a pay raise of six cents an hour. The agreement covers 2,600 Swift employees in six plants.

Earlier, the top policy committee of the union met in Winnipeg to consider an offer from Swift, Canada Packers and Burns & Co., the industry's "Big Three." At that time company terms were not made known. In view of the Swift settlement, it looks now as if 6c is going to be the 1949-50 wage pattern for the industry.

(Advertisement)

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THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING SEPTEMBER 9

Range 1949 High	Low	Div R'te $	Sept 9 Y'ld %	Company	Sales	Last Sep. 2	Week end. Sep. 9 H	L	Cl'se
17¼	9¾	■.75	...	Abitibi	4061	14½	14½	14½	14½
20¼	18	1.50	8.2	Do. $1.50 pr.	2480	18½	18½	18½	18½
23	19¾	1.00+■1.15		Acadia At. A	463	21½	22	20½	21½
103	98½	5.00	5.0	Do. 5% pref.	30	99½	100	99½	100
9½	7½	.60	7.1	Agnew Surp.	125	8½	9	8½	8½
36	25	...	...	Algoma Steel	683	30½	40	38½	39½
26½	23	1.00	3.9	Alum of Can p	335	26	26½	26	26
61½	46½	2.00	3.9	Aluminium, n.	1775	52	52	50½	50½
7½	4½	■4.20	..	Andian Nat.	50	6	4½	4½	4½
47	42½	2.25	5.3	Ang. Can Tel p	243	42½	42½	42½	42½
18	14	■1.00	..	Ang. Nfld.	730	14	14½	14	14
8½	5½	.60	9.8	Argus	2880	6½	6½	6	6½
76	61	4.50	7.1	Do. 4½% pf.	109	62	64	63	63
28½	20	1.20	5.2	Asbestos	450	23½	23½	23	23
13½	10½	.60	5.0	Ashdown Hdwe	60	12½	12½	12	12
13½	9	1.00	10.5	Atlas Steels	2145	9½	9½	9½	9½
20½	19½	.80	4.0	Bk. Can. Nat.	115	20	20½	20	20½
26½	25	.80+■.20		Bk. Montreal	2210	28½	28½	28	28½
36½	34	1.20+■.20		Bk. N. Scotia	345	36	36½	35½	36
37½	35	1.20+■.20		Bk. Toronto					

Range 1949 High	Low	Div R'te $	Sept 9 Y'ld %	Company	Sales	Last Sep. 2	Week end. Sep. 9 H	L	Cl'se
21½	20	†1.00	..	Hayes Steel	10	25	25	25	25
8	7	.50	7.1	Horner, F W p	100	7	7	7	7
15	14			Ho. De LaSalle	5	14	15	15	15
31	27	2.00	6.7	H. Smith Pap.	578	30½	30½	30	30
47	42	2.00	4.7	Do. pref.	20	42	43	43	43
21	18	1.25	6.0	Humberstone S	20	18	21	20	21
117	110	5%	4.0	Huron & E. Mt	7	114	114	114	114
30	27½	1.20	4.0	Imperial Bk.	390	29½	30	29½	29½
19½	16½	.50	2.7	Imperial Oil	9060	18½	18½	18	18½
14½	13½	.50+■.20		Imp. Tobacco	1690	13½	14	13½	14
25½	24½	1.00	4.0	Do. 4% pref.	235	25½	25½	25½	25½
7½	6½	6%	4.4	Do. 6% pref.	305	6½	6½	6½	6½
24½	19½	1.50	6.3	Indust. Accept.	1960	23	24½	23	23½
86	83	4.25	5.1	Do. 4¼% pf.	15	84	84	84	84
25½	25	1.25	5.0	Do 5% convp	395	25	25½	25	25
8½	4		...	Inter. Bronze	81	5½	5	5	5
22	15	1.50	8.8	Do. pref.	105	16½	17	16½	17
.33	.30	.01½	7.5	Inter. Coal & C	100	.30	.30	.30	.30
26	21	1.60	6.8	Int. Metal Ind.	5	23	23½	23½	23½
105½	100	■4.00	..	Int. Mill. pref.					

Range 1949 High	Low	Div. Rate $	Sept. 9 Yield %	Company	Sales	Last Sept. 2	Week Ending Sept. 9 High	Low	Close
.60½	.54	.....	....	Ascot Met.	48,400	.59	.60½	.59	.60
.09½	.03	.....	....	Ashley	9,000	.04½	.04	.03½	.03½
.18	.09	.....	....	Athona '37	13,000	.13	.14	.12	.13
.25	.08	.....	....	Atlas Y'fe.	11,000	.14	.25	.15	.23½
.11½	.06	.....	....	Aubelle	3,000	.08	.07½	.07½	.07½
.38	.10	.....	....	Aumaque	4,700	.18	.17	.16	.16
4.00	3.00	.20	5.6	Aunor	1,533	3.80	3.70	3.50	3.60
.27	.12	.....	....	Bagamac	2,000	.20	.20	.20	.20
.11	.04	.....	....	Bankfield	1,500	.08½	.08	.07½	.07½
1.42	.65	*.06	....	Barymin	27,900	.77	.77	.65	.70
.65	.30	*.04	....	Base Metals	12,200	.38	.35	.33	.34
.33	.15	.....	....	Beycourt	1,500	.28	.28	.28	.28
.16	.03½	.....	....	Bidgood	8,500	.05½	.05½	.05	.05
.35	.10½	.....	....	Bobjo	6,200	.16	.16	.14½	.14½
.09½	.04	.....	....	Bob's Lake	11,500	.05½	.05	.04½	.05
.37	.11	.....	....	Bonetal	17,100	.35	.37	.34	.37
.04	.02½	.....	....	Bonville	3,000	.03	.03	.03	.03
.19	.08	.....	....	Bordulac	3,000	.15	.18	.15½	.15½

Unlisted Stocks

(Compiled from quotations supplied by Intercity Securities Ltd., Kamm, Garland & Co. and Kippen & Co.)
Sept. 12, 1949

	Bid	Ask.
Allens Toronto units	42.00	....
Anglo Can. Tele. A	9.35	10.25
Ashdown Hardware B	12.00	....
Beauharnois L. H. & Pr.	20.25	21.00
Beauharnois Power	7.00	9.00
British Mtge. & Trust	185.00	195.00
B. C. Sugar	85.00	87.00
Can. General Invest.	16.00	16.50
Can. Gen. Securities C	7.00	....
Can. Investors Corp.	7.75	8.50
Can. Motor Lamp	11.50	12.75
Can. Silk Products A	20.75	22.00
Can. West. Nat. Gas com.	60.00	....
Do. pfd.	18.00	19.50
Capital Wire Cloth com.	14.00	....
Chase, A. W. units	53.00	56.00
Colonial Steamships	114.00	121.00
Commercial Finance Corp.	17.50	....
Commercial Life 10% pd.	9.00	....
Confed. Life 40% pd.	195.00	....
Continental Life 20% pd.	44.00	....
Cooksville A	....	11.50
Do. B	....	5.50
Cuban Can. Sugar com.	4.75	5.50
Detroit Internat. Bridge	16.75	18.00
Dover Industries Ltd.	10.00	11.00
Dunlop Tire pfd.	25.00	26.00
Dupuis Freres pfd.	23.50	25.00
Empire Life 25% paid	17.00	19.00
Foreign Power Co.	5.00	7.00
Galt Brass com.	29.00	33.00
Goderich Elevator	15.25	16.25
Great West Life	420.00	440.00
Guardian Realty pfd.	54.00	....
Guaranty Co. of N. Amer.	385.00	415.00
Guelph & Ont. Svgs. $50 par	61.00	....
Hart Battery com.	9.00	10.00
Imperial Life	340.00	360.00
Kop Beverages	.55	.65
Lambton Loan & Inv. $50 p.	80.00	85.00
Laprairie com.	2.00	4.00
Do. pfd.	80.00	90.00
Loblaw Groc. Inc.	19.00	20.00
Manufac. Life Ins.	345.00	365.00
Monarch Life 40% paid	120.00	....
Mountainview Apts. pfd.	24.00	....
Nat. Drug & Chem. com. N.	7.50	8.50
Do. pfd. new	10.50	12.00
New Brunswick Telephone	11.50	12.50
Northern Tel. com.	1.50	2.00
Ont. & Que. Rlwy. 5 c. stks.	145.00	....
Peller Brewing com.	2.00	3.00
Do. pfd.	15.00	17.50
Provincial Bank of Canada	15.75	16.75
Prudential Trust	11.00	....
Ritchie Cut Stone pfd.	7.50	8.50
Sawyer Massey com.	2.75	3.50
Seiberling Rubber com.	5.00	6.50
Sincennes McNaught. Line	2.00	3.00
Sherbrooke Trust	125.00	....
Sovereign Life 25% paid	47.00	....
Standard Fuel 4½% pfd.	35.00	38.00
Do. com.	3.00	5.00
Sun Life Assce.	495.00	515.00
Third Can. Gen. Inv.	3.55	4.00
Toronto General Ins.	6.00	....
United Farmers Co-op.	2.00	....
United Steel A pfd.	23.75	25.00
Victoria Trust & Svgs.	135.00	....
Waterloo Manufac. com.	6.00	7.00
Waterloo Trust & Svgs.	122.00	127.00
Western Assurance com.	68.00	....
Western Grain com.	.90	1.25
Western Grain pfd.	21.50	23.50
York Trading com.	10.50	12.00

BUSINESS BAROMETER

	AUG.	JULY	JUNE	MAY	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dom. total expend.	....	153.8	240.3	155.9	154.1
Dom. total rev.	....	204.8	191.0	301.4	219.0
MERCHANDISING					
■Dept. store sales (3)	+7	+3.7	+6.3	+11	....
Country store sales (3)	....	....	—0.2	—0.2	....
Retail store sales (3)	....	....	+7.0	+6.3	....
Wholesale sales index (1)	....	....	309.4	303.0	290.0
FINANCE					
Dividend payment index (1) (5)	212.7	213.5	213.1	215.4	201.9
Money supply (millions $)	...	4,173	4,187	4,155	4,002
NEWSPRINT CAPACITY					
Production ratio (7)	....	101.2	102.4	103.0	102.1
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.) (1)	....	....	215.9	210.5	215.9
Cars (D.B.S.) (1)	....	....	156.0	154.9	166.1
COST OF LIVING					
D.B.S. (1)	162.8	162.1	160.5	159.5	157.5
EMPLOYMENT INDEX					
All industries (6)	....	198.3	194.5	189.1	198.0
Payrolls (June 1/41=100) (2)	....	....	209.0	207.3	195.4
MANUFACTURING					
Inventories (1947=100)	....	....	130.0	131.9	122.9
Employment (6)	....	207.3	205.1	203.3	207.3

	1949	1948	1949 Jan. 1 to date	1948	% Change
RAILWAYS—(000's omitted)					
■Carloadings (week Sept. 3)	85.0	87.3	2,563.6	2,644.2	—3.1
C.N.R. gross rev. (July)	41,405	41,801	278,179	270,265	+2.9
C.N.R. net rev. (July)	396	—6,323	1,346*	2,783	—41.6
C.P.R. gross rev. (July)	29,251	29,817	204,487	190,647	+7.3
C.P.R. net rev. (July)	1,701	1,765	4,690	1,602	+192.8
IRON AND STEEL PRODUCTION (000's omitted) (June)					
Pig iron production (tons)	194.3	183.8	1,135.1	1,031.7	+10.0
Steel production (tons)	270.5	259.4	1,675.6	1,595.7	+5.0
CONSTRUCTION (000's omitted)					
■Contracts awarded (Aug.)	90,655	91,681	708,762	664,512	+6.7
■Cement prod., bbls. (June)	1,416	1,211	7,634	6,466	+18.1
AGRICULTURE (000's omitted)					
Flour prod., bbls. (July)	1,443	1,787	10,912	12,944	—15.7
Flour exp., bbls. (July)	785	661	5,615	7,196	—22.0
Wheat exp., bush. (July)	19,890	14,154	116,253	72,281	+60.8
Wheat exp., bush. (June)	21,782	11,194	96,363	58,127	+65.8
■Cattle sales (Aug.) (4)	152.0	173.8	997.5	1,009.6	—1.2
■Hog sales (Aug.)	230.1	214.3	2,521.4	3,305.5	—23.7
SEA FISHERIES (000,000's omitted)					
Catch lb. (July)	127.5	140.2	597.3	686.0	—12.9
Landed value (July)	7.1	9.0	27.1	30.7	—11.7
NEWSPRINT (000's omitted)					
Production (July) (7)	421	424	3,027	2,863	+5.7
Exports tons (July) (7)	412	410	2,797	2,660	+5.2
MINING AND OILS (000's omitted)					
Coal prod. (tons) (July)	1,100	1,362	10,188	9,944	+2.5
■Gold prod. (fine oz.) (June)	344	290	1,964	1,687	+16.4
Petroleum prod. (bbl.) (May)	1,718	917	8,111	4,087	+98.5
ELECTRICAL POWER OUTPUT (000,000's omitted) (June)					
Total monthly kwh	4,018	3,718	22,524	23,462	—4.0
FOREIGN TRADE (millions of $)					
Imports (June)	250.5	233.0	1,409.4	1,270.2	+11.0
Exports (July)	241.3	250.9	1,665.9	1,651.0	+0.9
FINANCE (millions of $)					
Bank debits (July)	7,017	6,736	48,188	44,762	+7.7
Bond sales (Aug.)	357.7	162.5	2,465.4	2,742.1	—10.1
Life insurance sales (July)	103.5	93.8	736.4	704.5	+4.5
OTHER INDUSTRIAL FACTORS					
Shoe prod. (June) (000)	3,249	2,493	18,669	16,261	+14.8
Cigarette cons. (000,000) (June)	1,577	1,428	13,750	12,659	+8.6

(1) Base period 1935-39=100.
(2) All industries.
(3) % change from year ago, latest week or monthly average.
(4) Total at yards and plants.
(5) Besbitt Thomson, etc.
(6) Base period 1926=100.
(7) Includes Newfoundland.
■New item for week.

Stocks Not Traded This Week (Continued)

	Div. Rate $	Last sale	Sept. 9 Bid	Ask
United Distill.	■1.00	25	25	..
United Grain A	1.00	17½	17½	19
United Secs.	..	15	10	18
Viau Ltd.	1.00	27½	27	..
Do. pref.	5.00	101	101	..
Viceroy	.60	10½	10½	12½
Vir. Dare 5% pf.	1.25	19	18	22
Waterous Ltd. A	.80	11	10½	11
West. Brew.	1.60	23	23½	25
West Grain	..	1.00	1.00	..
Do. pref.	..	30	25	25
West. Grocers	..	25	25	25½
West Koot. pref.	7.00	170	..	..
W'minster Pap. A	.50	8.75	..	9.00
Do. B	■.07½	2.50	2.37½	3.00
Willson Stat. pref.	5.00	97½	96	..
Wilsils	1.00	17½	18	18½
Wilson, J. C.	.60+■.10	11	11	12
Windsor Hotel	..	13	13	13½
Wood, A. & J. P.	7.00	115	108½	120
Woods Mfg. pref.	2.00	27	15	23
Wool. Combing	1.60	19	..	18½
York Knit.	.40	6½	6½	6½
Do. B	..	2½	2½	2½
Zellers	2.00	42	42	43
Do. 5% pref.	1.25	25½	25½	25½
Do. 6% pref.	1.50	28	27½	28

▲Plus extras. ■Paid or payable in 1949. *On arrears. †Paid in 1948. ▲N. Y. funds. ‡Net after income taxes. •Dividend deferred. ♦After stock split. ‡Plus payments on arrears. ▲▲Participating div. *New stock.

Mining Stocks

Akaitcho	...	.73	.67	.73
Alta.	...	.02	.03	..
Area	...	.11½	.12½	.18
Band Ore.	...	.05	.05	.08
Bayonne	...	.05½	.05½	.07
Beatrice	...	.04	.03½	.05
Belleterre	.20	8.75	7.50	8.90
Berens River	...	.20	.32	.48
Brazil Gold	...	.04	.02	.05
Bridge River	...	.03	.03	.03½
Bruce Cons.	...	.01½	.01½	.03
Bunker Hill	...	.03½	.03½	.04
Calder B.	...	.10	.09	.13
Cartier Mal.	...	.01½	.01½	.02
Celta Devel.	...	.05	.02	..
Cent. Manitoba	...	.05½	.06	.07½
Chimo G.	...	.18	.17	.19½
Chromium	...	1.40	1.25	1.35
Coast Copper	...	.90	.70	1.10
Coniagas	...	1.45	1.37	1.55
Crestaurum	...	.23	.20½	.24
Crowshore	...	.10	.09½	.10
Cuyuni	...	.41	.39	.43
Cryderman	...	.01	.00½	.01½
Dickstone C.	...	.03	.02	..
Flin Flon	...	.01½	.01	.01½
Fontana '45	...	.03	.03	.04
George Copper	...	.06	..	..
Golconda	...	.30	..	..
Goldbeam	...	.09	.08	.09
Goldora	...	.05	.04½	.06
Goodfish	...	.02½	.02½	.03
Graham B.	...	.15	.15	.16
Grandoro	...	.14	.12	.17½
Grandview	*†.02	.14	.16	.20
Great Falls	...	.03	.02	.04
Halcrow Swayze	...	.04½	.04½	.04½
Harricana	...	.06½	.07	.08
Headway	...	.04	.04½	..
Heath	...	.09	.06½	.09
Island Lake	...	.00½	.00½	..
Island Mountain	†.07	1.23	1.05	..
J. M. Cons.	...	.01	.02	.02½
Kenville	...	.08	.06	.10
Kerr Lake	*†.05	.60	.41	.55
Kootenay B.	...	.18½	.18½	..
Lencourt	...	.04½	.04½	.06
Man. & East.	...	.02½	.02½	.03
Maralgo	...	.04	.03½	.04½
Marcus Gold	...	.13½	.11	.15
Martin McN.	...	.04	.04½	.06
McLellan	...	.06	.05	.07
Mentor Explor.	...	3.25	1.50	2.50
...echi Cons.	...	.90	.87	1.05
... Louvre	...	.03	.03	.04½
...ewnorth	...	.04	.03½	.05
...orgold	...	.04	.03	.05
...ormandy	...	.02	.01½	.03
...orth. Canada	...	.34	.45	.55
...orth. Empire	†.07	1.65	1.60	2.00
...acksack	...	.02	.02	.03½
...ato Cons. G.	▲.05	3.95	..	3.85
...erron Gold	.04	.70	.65	.72
...acer Devel.	.50	14.75	14.50	15.25
...oprietary	▲.45	15.50	16.12½	..
...ospectors Air's	...	.70	.60	.80
...rdy Mica	...	.06½	.06½	.07½
...d Hawk	...	.02½	.02	.03
...ce Lake	...	.01½	.01½	.02
...chette	...	.07½	.05½	.08
...anor	...	.08	.05½	.11
...otia Gold	...	.00½	.00½	.01
...ver Ridge	...	.10	.12	..
...ver Stand.	...	.24	.23	.30
...ma Duv.	...	.05	.05	..
...American G.	‡▲.12½	1.10	..	..
...ndard G.	...	.06	.06	.07
...r Lake	...	.00½	.00½	.01

	Div. Rate $	Last sale	Sept. 9 Bid	Ask
Steeloy	...	.06	.05	.06
Toburn Gold	...	.65	.62	.64
Tiblemont	...	.10	.05	.09
Vananda '48	...	.15	..	.15
Wellington	...	.01½	.01	.02
West Mal.	...	.06½	.06	.07
Yukon Cons.	1.06	.66	.60	.67
—OIL STOCKS—				
Acme Gas & Oil	...	.05	.05	.06
Coastal	...	.23	.22	.24
Command	...	.20	.20	..
Commoil	▲.01	.35	.35	.37
Common P.	...	.66	.66	.70
Federated P.	†.03	.50	.45	.70
General Pet.	▲.02	.75	.76	.72
Grease Creek	...	.02	.01½	.02½
Jumping Pound	...	.09	.07½	.09
Lowery	...	.45	.40	.50
McLeod	...	.04½	..	..
Mid. Cont.	...	.03½	.04	.04½
Mill City	...	.08	.07½	.10
Nordon	...	.10	.10	.11
Oil Selections	...	.03½	.03½	.04½
Petrol Oil	▲.03	.15	.14	..
Richfield	...	.02½	.02½	.03
Royal Crest	...	.05	.04	..
So. West Pete.	...	.20	.21	.35
Spooner	...	.18	.19	.22
Three Point	...	.06	.08	..
Turner V.	...	.15	.15	..
Vulcan	...	.20	.21	.25
Vul. Brown	...	.15	.12½	.19
Wellington	...	.04	..	..

▲Paid or payable in 1949. †Paid in 1948. ‡Paid in 1947. *N. Y. funds. ‡Capital distribution.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Sept. 12	268,500	1,183,000	67,229	32,220	2,020,000
Sept. 10	......	......	......	......	....
Sept. 9	287,800	1,315,000	69,250	49,416	970,000
Sept. 8	338,300	1,571,000	37,380	39,036	1,170,000
Sept. 7	172,200	944,000	37,260	39,554	1,030,000
Sept. 6	162,800	975,000	59,516	33,936	790,000

STOCKS NOT TRADED THIS WEEK

	Div. Rate $	Last sale	Sept. 9 Bid	Ask
Acme Glove	■.50	7	7½	8½
Amal. Electric	..	7	6½	8
Argus warr.	..	.15	..	.15
Assoc. T. & T. A.	..	17½	..	..
Do. pref.	▲■1.74	83	..	..
Ault & Wiborg pf.	5.50	103½	103	..
Auto Electric	■.30	5½	..	5
Do. A	.50	6½	6	8½
Auto Fabric A	.60+■.20	7	7	8½
Do. B	.40	4	4	4½
Barcelona	..	1.00	1.25	1.90
Beatty Bros.	■.50	14	13½	13½
Beaver Lumber A	1.00	17½	17½	18½
Do. pref.	1.40	27½	28	..
Belding Cort.	6.00+■1.00	165	160	..
Do. pref.	7.00	165	160	..
Belgium Glove	.60	9	8½	9
Biltmore Hats	.40+■.10	6½	6½	9
Blue Top Br. B	■1.00	25	25	35
Bowes Co. A	.50	9	9	9½
Do. B	■1.50	26½	26	30
Brand, Hender	..	10	10	..
Brant. Cord.	.50	9	9	9½
Do. pref.	1.30	26½	26½	..
Brant. Roof.	■1.00	16	15	16
Brazilian Tr. pref.	6.00	110	100	..
Bright, T. G.	1.00	23	20	23
Brit. Amer. Bk. Notes	■.40	12½	12½	..
B. C. Pulp & Pap.	...	75	75	79
Do. pref.	‡7.00	146	145	160
Caldwell Linen	.80+■.20	12½	12	15
Do. 1st pref.	1.50	29½	29½	30
Can. Cr. Stone	.60+■.10	8½	10½	..
Can. Flooring B	.80	14	..	..
Can. Foils A	.60	10	10	10½
Can. Forg. B	■1.50	40	35	..
Can. Iron	.80	18	16½	19
Do. pref.	.60	15½	..	..
Can. Machine	.50	5	5½	6
Can. Perman.	8.00	190	189	198
Can. Starch	..	7	8	9
Do. pref.	7.00	95	95	..
C. Varnish 5% pf.	1.25	23	19½	23
Can. Vinegars	.80	13	13	13½
Can. Wire Cable A	4.00	81	78½	81
Can. Bronze pref.	5.00	105	105	..
Can. Can. 1st pf.	1.00+.20▲▲	23½	23	23½
Can. Convert. A	.75	8	8	12
Do. B	..	10	10	13
Can. Cottons	8.80	45½	..	45½
Do. pref.	1.20	26½	25½	27½
Can. Dredge	■1.00	20½	20½	21
Can. Fire	.80	19½	19	..

	Div. Rate $	Last sale	Sept. 9 Bid	Ask
Can. General Elec.	8.00	225	220	235
Can. Gen. Inv.	.80+■.20	16	16½	..
Can. G. Sec. A	■1.50	50	38½	59
Do. B	■1.50	20	37½	..
Can. Ice Mach.	..	5	2½	5
Do. A	.80	12½	10½	12½
Can. Ind. Alco. B	■.50	9½	8½	..
Can. Int. I. Tr. pf.	‡5.00	87	84½	99
Can. Lt. & Pr.	..	23	23	..
Can. Oil 8% pref.	8.00	147	145	150
Do. 4% pref.	4.00	80	100	100½
C. Pr. & Pa. In. pf.	..	9	9½	11
Can. Tire	1.20+■1.30	27	27½	27½
Can. Utilities	5.00	99½	98½	99½
Can. Wallpaper A	■1.00	12	12½	16
Do. B	■1.00	15	12½	16
C. Wire Box A	1.50	24	23½	24½
Cardy Corp.	■.60	7½	7½	9½
Cassidy's	.60+■.15	11	10½	11
Do. pref.	7.00	110	..	132½
Catelli Food	■.75	32	32	36
Celtic Knit.	.30+■.20	6	6	..
Cent. Can. L'n	8.00	202	201	..
Cent. Nor. Air. A	•	5.00	..	6.00
Do. B	..	2.00	..	2.00
Chart. Trust	■1.50	27½	27½	..
Chatco Steel	■.75	8½	8½	11½
Do. pref.	.50	5½	6	7
Cinzano A	4½d	1.25	1.00	1.25
Do. 5½% pref.	5½%	4	4	5
Circle Bar Knit.	..	7	7	9
Do. A	1.00	13	14	16
Claude Neon A	..	..	1.00	7.00
Do. B	..	..	.10	..
Do. pref.	..	..	30	55
Cochrane-Dun.	..	8	7	8
Do. A	1.20	24	13½	14
Do. pref.	.80	13½	23½	25
Coll. Terminal	.25	8	7	9
Do. pref.	.25	8	7	8
Comm. Alco. pref.	•	4½	4	4½
Conduits Nat.	■.50	5½	5	5½
Cons. Div. Sec. A	..	.35	.35	.55
Do. pref.	1.00	15	15	..
Cons. Fire Co.	..	5	5	..
Cons. Litho.	2.00	24	25	25
Cons. Press A	.65	6½	6	7½
Do. B	..	2.00	1.50	2.00
Cons. Textile	■.45	8½	8½	9½
Do. pref.	1.00	18	18	..
Consumers' Glass.	1.50	23½	23½	24½
Corr. P. Box	1.50	19	17½	18½
Cosmos Imp. N.	.40	14½	..	..
Craig Bit.	.50	5½	5	5½
Do. pref.	.50	8½	8½	..

Company Meetings

1949	Company	Place
Sept. 21	Loblaws	Toronto
Sept. 21	Nat. Steel Car	Hamilton
Sept. 22	Tip Top Can.	Otterville, Ont.
Sept. 23	Power Corp.	Montreal
Sept. 27	Can. Wirebound	Toronto
Sept. 28	Can. Coll.	Vancouver
Sept. 30	Celta Dev. & Min.	Montreal
Oct. 28	Cal. & Ed. Oil	Winnipeg

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
■Candn. Nat. Rly.	5%	1969	Oct. 1	105
▲Candn. Nat. Rly.	5%	1970	Feb. 1	105
‡Mari. Elec. 1st mtge. bds.	4½%	1956	Oct. 1	101
*Mari. Elec. gen. mtge. bds.	5½%	1956	Oct. 1	101
‡Nat. Lt. & Pr. 1st mtge. ser. C	4½%	1961	Sep. 21	call.
▲Nfld. Lt. & Pwr. gen. mtge. bds.	5%	1956	Oct. 1	101

■$57,728,500. ▲$17,338,000. ‡$16,000. *In part. ▲$25,000. ‡$37,400,000.

Investment Trust

	Bid	Asked
Affiliated Funds	3.69	4.04
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.55	5.00
Can. Invest. Corp.	7.75	8.50
Corporate Invest.	7.99	8.65
Commonwealth Int.	3.30	3.63
Trans-Canada	13.75	....
Do. B	....	14.10

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$20.25	$20.50	$21.66
Hogs	29.60	33.85	33.60
Copper, lb.	.17½	.17½	.23½
Sugar, raw, lb.	.0545	.0545	.0515
Coffee, lb.	.28½	.28½	.26½
Hides	.24	.24	.26½
Weekly Indices			
U. S. Labor	152.7	152.4	168.4
Dow Jones	129.50	128.43	140.82
Fisher's	161.3	161.0	175.1
Monthly Indices			
Retail (Aug.)†	162.8	162.1	157.5
U. S. (May)	155.7	156.9	163.9
Gt. Brit. (June)	231.6	231.3	222.1

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base price of quotations is as follows: Cattle — Steers, good, up to 1,000 lb., top price, Toronto. Copper-electrolytic, New York. Coffee, No. 4 Santos, Rio Sugar 96 degrees centrifugal c/f New York.

Government Bonds

(Supplied by Investment Dealers Assoc. of Canada)

Sept. 13, 1949

%	Due	Bid	Ask
Victory Loans:			
3	June 1951 ..	♦101½	102½
3	Mar. 1954 ..	♦101½	103½
3	Nov. 1956 ..	♦103½	103½
3	May 1957 ...	102½	102½
3	Jan. 1959 ...	102½	102½
3	June 1960 ...	102	102½
3	Feb. 1962 ...	101½	..
1½	Nov. 1950 ...	100	100½
3	Oct. 1963 ...	101½	102½
3	Sept. 1966 ...	101½	102½
1½	Nov. 1949 ...	100	100½
Dom. of Canada Bonds:			
3	June 1958 ...	102	102½
2½	Feb. 1952 ...	102½	102½
3	Oct. 1952 ...	100½	100½
3	June 1955 ...	100½	101½
4½	Nov. 1958 ...	100½	101½
3½	June 1956 ...	103½	103½
3	Perpetual ..	†100½	101½
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1959 ...	101½	102
4½	Sept. 1951 ..	■105½	106½
4½	Feb. 1956 ..	■118	120½
4½	July 1957 ..	♦119½	122
5	Oct. 1969 ..	*■105	106½
5	Feb. 1954 ...	109½	110½
5	Feb. 1970 ..	*■106	107½
4½	June 1955 ..	■118	120½
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955 ..	■118½	120½
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ..	■107	109
4	Jan. 1962 ..	■116½	119
Montreal Harbour Comm.:			
5	Nov. 1969 ..	a*105	106½
Provincial Govt. Bonds			
Alberta:			
3½	June 1956/66	100½	102
3½	June 1959 ...	105	107
3½	June 1956/71	100½	102
3½	June 1950/72.	♦101	103½
British Columbia:			
2½	Jan. 1967 ...	93½	96½
4½	Jan. 1969 ..	♦126	129½
5	Apr. 1954 ..	♦115	117½
3	Sept. 1953 ...	106½	108½
3	Dec. 1960 ..	99	100½
4	Dec. 1957 ..	♦114	116
Manitoba:			
4	Dec. 1957 ..	♦112	115
4½	Dec. 1954 ..	♦116½	118½
5	Dec. 1959 ..	■122	125½
3½	Aug. 1962/64.	93½	95
5½	July 1958 ...	116½	118½
New Brunswick:			
4½	Apr. 1961 ..	♦116	118
5	Jan. 1960 ..	♦119	121
2½	June 1966 ...	89½	91½
3½	Oct. 1960 ...	97½	98½
Nova Scotia:			
3½	June 1956 ..	100½	102½
4½	Nov. 1960 ..	♦120	122
5	Mar. 1960 ..	♦123½	125½
3	June 1956/58	99½	101½
2½	Sept. 1966 ..	93½	95½
3½	May 1960/62	100½	101½
Ontario:			
2½	Nov. 1965/69	94½	96
3	Apr. 1963/65.	99½	100½
3½	May 1952/55	102	103
4	June 1962 ..	a118	120
4½	June 1950 ...	101	102
4½	Jan. 1962 ..	♦123	124½
5	Dec. 1960 ..	a126	128
2½	July 1967/70	93	93½
Ont. Hydro Commission:			
4	Aug. 1967 ..	a114	116½
2½	June 1961/71.	94	94½
2½	Oct. 1965/68.	94½	95½
Prince Edward Island:			
4	Mar. 1951/54	101	102½
Quebec:			
3½	Mar. 1954/59.	102½	104½
3½	Feb. 1952/58.	103½	104
4½	Aug. 1958 ...	108½	110
4½	Jan. 1963 ...	113½	115
3	Feb. 1960/62	99	100½
4	Nov. 1950/53.	101½	102½
Quebec Hydro Commission:			
3	Feb. 1969/73	97½	98½
Saskatchewan:			
4	Nov. 1955/60.	99	100½
5	Aug. 1959 ...	105½	107½
4½	Mar. 1960 ..	♦108½	110½
5½	Oct. 1952 ..	104½	106
6	Mar. 1952 ...	104½	106½
5	Dec. 1959 ..	♦110½	112½
3	Mar. 1963 ...	91½	93½
3½	Nov. 1960/62.	92	93½
3½	Feb. 1960/62.	97	98½

♦Callable on or after earliest maturity shown & payable at maturity at 101.
†Callable on or after Sept. 15, 1966. ♦Payable Can. or N. Y.
■Payable Can., N. Y. or £. *Callable at a premium.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 10	Milling 4	Oils 5	Textiles and clothing 10	Food and allied prod. 15	Beverages 16	Bldg. mater. 18	Power and traction 12	Banks 8	Total utilities 16	Total co's 106
*1935 to date:												
High	247.7	287.9	149.7	123.7	221.9	128.5	447.0	183.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.3	79.3	66.7	60.2	60.0	65.2	61.1
1949: Monthly Figures:												
Jan.	234.1	257.1	96.4	75.9	214.3	115.2	294.5	143.0	108.2	132.6	119.2	114.3
Feb.	224.1	244.1	89.8	68.7	203.1	113.6	281.5	139.7	105.7	131.0	115.1	108.1
Mar.	217.5	236.7	85.9	69.5	205.9	112.0	276.1	137.4	106.4	131.0	113.7	106.4
Apr.	211.9	234.2	88.4	70.8	205.7	111.9	274.4	139.6	109.7	132.4	115.7	106.4
May	208.4	227.4	84.2	70.3	204.2	112.8	273.7	136.3	107.4	132.4	113.5	105.3
June	184.7	210.6	85.3	63.8	196.6	111.8	273.3	131.4	104.1	131.6	109.2	99.6
July	198.8	221.4	89.8	66.6	202.3	112.9	292.4	137.0	105.4	130.7	114.3	104.2
1949: Weekly Figures:												
Aug. 4 ..	203.9	223.5	86.5	68.4	202.4	114.3	298.5	138.6	108.8	132.3	116.7	106.8
Aug. 11 ..	209.4	231.8	91.3	69.4	203.9	114.6	307.4	140.3	110.1	133.2	120.1	108.9
Aug. 18 ..	213.3	234.3	91.8	69.5	204.6	115.4	312.0	140.8	112.6	133.6	121.4	109.3
Aug. 25 ..	211.2	232.9	91.2	68.0	206.2	114.0	308.4	140.4	113.1	134.2	119.6	107.8
Sept. 1 ..	210.7	232.2	91.6	68.4	208.4	114.3	307.5	141.0	114.0	134.1	122.2	108.1
Sept. 8 ..	207.6	234.9	91.9	68.7	207.9	116.0	308.6	141.5	115.6	134.5	124.4	108.9

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Sept. 12	178.53	101.63	97.86	46.74
Sept. 10	....	....	....	....
Sept. 9	178.57	104.10	99.43	46.03
Sept. 8	178.38	104.87	99.30	45.71
Sept. 7	178.28	104.23	98.70	46.00
Sept. 6	177.82	105.41	98.20	46.09
Month ago ..	176.19	104.62	96.99	44.06
Year ago	176.95	98.98	99.33	40.48
1949 High ...	182.74	109.52	110.34	66.43
1949 Low ...	157.28	87.06	77.43	38.78

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Sept. 12 ...	73.8	122.3	106.2	280.50	67.54
Sept. 10 ...	.....	.....	.....	.....	.....
Sept. 9 ...	73.7	122.1	106.0	285.29	68.32
Sept. 8 ...	73.1	121.5	105.4	286.93	68.32
Sept. 7 ...	73.2	121.6	105.5	283.72	67.77
Sept. 6 ...	73.0	122.1	105.7	287.56	67.65
Month ago	71.7	120.6	104.3	285.47	67.35
Year ago ..	73.6	128.6	110.3	355.80	61.91
1949 High .	73.9	132.4	112.9	343.31	70.50
1949 Low .	70.0	109.3	96.3	251.34	60.17

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Sept. 12	181.15	45.88	37.75	64.52
Sept. 10	....	....	....	....
Sept. 9	180.34	45.89	37.55	64.17
Sept. 8	180.53	45.85	37.22	64.20
Sept. 7	180.21	46.02	37.00	64.11
Sept. 6	179.20	45.40	36.83	63.65
Month ago ..	178.97	46.68	36.52	63.90
Year ago	179.38	58.72	34.57	67.28
1949 High ...	180.02	54.29	37.75	66.18
1949 Low ...	161.60	41.63	33.36	57.75

Dividends Declared

	This payment $	Date payable	Date of record
Abitibi Pwr. & Pap.	.25	Oct. 1	Sep. 1
Do. pfd.	.37½	Oct. 1	Sep. 1
Acadia Atlantic A	.25	Oct. 1	Sep. 10
Agnew Surpass	.15	Dec. 1	Oct. 31
Aluminum pfd.	.25	Dec. 1	Nov. 2
Amer. Cyanamid	†.37½	Oct. 1	Sep. 2
Do. pfd.	†.87½	Oct. 1	Sep. 2
Asbestos Corp.	.20	Sep. 30	Sep. 8
Ashdown Hdwre. A	.15	Oct. 1	Sep. 10
Do. B	.40	Oct. 1	Sep. 10
Auto Fabric A	.15	Oct. 1	Sep. 15
Do. B	.10	Oct. 1	Sep. 15
Beatty Bros.	.25	Oct. 1	Sep. 15
Beaver Lumber A	.25	Oct. 1	Sep. 10
Do. pfd.	.25	Oct. 1	Sep. 10
Beld.-Cort.	1.50	Oct. 1	Aug. 31
Do. pfd.	1.75	Oct. 1	Aug. 31
Belg. Glove	.15	Oct. 1	Sep. 15
Do. pfd.	.25	Oct. 1	Sep. 15
Bell Tel.	.50	Oct. 15	Sep. 15
Blue Top Br. B	1.00	Sep. 30	Sep. 23
Bralorne M.	.10	Oct. 15	Sep. 23
Brantford Cord.	.12½	Oct. 15	Sep. 30
Do. pfd.	.32½	Oct. 15	Sep. 30
Brazilian Tr. pfd.	1.50	Oct. 1	Sep. 15
B. A. Oil	.25	Oct. 1	Sep. 6
Do. pfd.	0.234375	Oct. 1	Sep. 6
B. C. Elec. 4¾% pf.	1.19	Oct. 1	Sep. 15
		Coup. 4-xc-Sep. 29	
Do. 4% pf.	1.00	Oct. 1	Sep. 15
		Coup. 10-xc-Sep. 29	
B. C. Power A	.40	Oct. 15	Sep. 30
Building Prod.	.40	Oct. 1	Sep. 8
Burlington Steel	.20	Oct. 1	Sep. 10
Burns Co. A & B	.30	Oct. 28	Oct. 7
Cal. & Edmonton	.05	Oct. 15	Sep. 9
Can. Bread 1st pfd.	1.12½	Oct. 1	Sep. 8
Do. B pfd.	.62½	Oct. 1	Sep. 8
Can. Cr. Stone	.15	Sep. 20	Sep. 1
Can. Dry	†.15	Oct. 1	Sep. 15
Do. pfd.	†1.06¼	Oct. 1	Sep. 15
Can. Flooring B	.15	Oct. 1	Sep. 15
Can. N. Pwr.	.15	Oct. 25	Sep. 30
Can. Packers A	.75	Oct. 1	Sep. 1
Do. B	.25	Oct. 1	Sep. 1
Can. Perm. Mtge.	2.00	Oct. 1	Sep. 15
Can. Starch pfd.	3.50	Sep. 30	Sep. 23
Can. Steamship	.50	Oct. 15	Sep. 23
Can. Varnish pfd.	.31¼	Oct. 1	Sep. 21
Candn. Bk. Comm.	.20	Nov. 1	Sep. 30
Candn. Brew.	.50	Oct. 1	Aug. 31
Candn. Bronze	.31	Nov. 1	Oct. 10
Do. pfd.	1.25	Nov. 1	Oct. 10
Candn. Can.	.31¼	Sep. 30	Sep. 9
Do. 1st pfd.	.25+.05	Sep. 30	Sep. 9
Do. 2nd pfd.	.15+.10	Sep. 30	Sep. 9
Candn. Cel.	.35	Sep. 30	Sep. 9
Do. $1.75 pfd.	.43¾	Sep. 30	Sep. 9
Do. $1 pfd.	.25	Sep. 30	Sep. 9
Candn. Cot.	.70	Oct. 1	Sep. 2
Do. pfd	.30	Oct. 1	Sep. 2
Candn. Dredge	.25	Nov. 2	Oct. 6
Do.	.25	Feb. 2	Jan. 6
Candn. Food Pro.	.18¾	Oct. 1	Aug. 31
Do. A	.25	Oct. 1	Aug. 31
Do. pfd.	1.12½	Oct. 1	Aug. 31
Candn. Indust.	.17½	Oct. 31	Sep. 30
Do. pfd.	1.75	Oct. 15	Sep. 15
Can. For. Inv. Corp.	.50	Oct. 1	Aug. 31
Candn. Gen. Elec.	2.00	Oct. 1	Sep. 15
Candn. Ind.	.17½	Oct. 31	Sep. 30
Do. pfd.	1.75	Oct. 15	Sep. 15
Candn. Ice Mach. A	.20	Oct. 1	Sep. 15
Candn. Ing.-Rand	1.00	Sep. 28	Sep. 14
Candn. Motor	.15	Dec. 15	Nov. 15
Candn. Oil 4% pfd.	1.00	Oct. 1	Sep. 1
Do. 5% pfd.	1.25	Oct. 1	Sept. 1
Do. 8% pfd.	2.00	Oct. 1	Sept. 1
Candn. Pac. Rlwy.	.50	Oct. 1	Aug. 22
Candn. Refract. pf.	1.12½	Oct. 15	Sep. 28
Can. Silk Pro. Cl. A	.37½	Oct. 1	Sep. 1
Candn. West. Lum.	.10	Oct. 1	Sep. 17
Can. Westinghouse	.50	Oct. 1	Sep. 15
Can. Wirebound A	.37½	Oct. 1	Sep. 9
Cassidy's	.15	Oct. 1	Sep. 2
Do. pfd.	1.75	Oct. 1	Sep. 2
Catelli Food pfd.	1.25	Sep. 30	unstated
Celanese Corp.	†.50	Sep. 30	Sep. 16
Do. 1st pfd.	†1.18¾	Oct. 1	Sep. 16
Do. 7% pfd.	†1.75	Oct. 1	Sep. 16
Cent. Can. Loan	2.00	Oct. 1	Sep. 22
Chartered Trust N.	.25	Oct. 1	Sept. 15
Cinzano Ltd.	2½%	Sep. 30	Sep. 15
Circle Bar Knit.	.50	Oct. 15	Sep. 30
Cons. Litho.	.50	Sep. 30	Aug. 30
Cons. Press Cl. A	.16¼	Oct. 1	Sep. 15
Consumers Gas	2.00	Oct. 1	Sep. 15
R. L. Crain	.10	Oct. 1	Sep. 15
Crown Trust	1.25	Oct. 1	Sep. 20
David & Frere A	.25+.25	Sep. 30	Sep. 15
Dom. Bank	.25	Nov. 1	Oct. 15
Dom. Dairies	.12½	Oct. 15	Sep. 30
Do. pfd.	.44	Oct. 15	Sep. 30
Dom. Foundries	.35	Oct. 1	Sep. 10
Dom. Glass	.25	Oct. 15	Sep. 22
Do. pfd.	.35	Oct. 15	Sep. 22
Dom. Oilcloth	.40	Oct. 28	Sep. 30
Dom. Square	.75	Oct. 15	Sep. 15
Dom. Tar & Chem.	.25	Nov. 1	Oct. 1
Do. V.T.	.25	Nov. 1	Oct. 1
Do. pfd.	.25	Oct. 1	Sep. 1
Dom. Textile	.15	Oct. 1	Sep. 2
Do. pfd.	1.75	Oct. 15	Sep. 15
Donnacona Pap.	.50	Oct. 1	Sep. 1
Easy Washing	.05+.10	Oct. 1	Sep. 15
Economic Inv. Tr.	1.00	Oct. 1	Sep. 15
Emp. Brass A	.25	Oct. 15	Sep. 30
Esmond Mills pfd.	.25	Nov. 1	Oct. 7
T. H. Estab. pfd.	.26	Oct. 15	Sep. 16
Famous Players	.25	Sep. 24	Sep. 9
Fanny Farmer	†.37½	Sep. 30	Sep. 15
Fibre Prod.	.20	Sep. 21	Sep. 1
Foothills Oil	.12½	Oct. 1	Sep. 16
Foundation Co.	.35	Oct. 21	Sep. 30
Fraser Cos.	.50	Oct. 24	Sep. 30
Do. pfd.	1.18	Oct. 1	Sep. 10
Gat. Power	.30	Oct. 1	Sep. 1
Do. 5% pfd.	1.25	Oct. 1	Sep. 1
Do. 5½% pfd.	1.37	Oct. 1	Sep. 1
Golden Man. M.	.05	Oct. 1	Sep. 9
Goodyear Tire	1.00	Oct. 1	Sep. 9
Grafton A	.25	Dec. 15	Nov. 25
Grand & Toy	.15	Sep. 30	Sep. 20
Gt. Lakes Pap.	.25	Sep. 30	Sep. 15
Do. A	.62½	Sep. 30	Sep. 15
Do. B	.30	Sep. 30	Sep. 15
Gt. West Felt	.30	Oct. 1	Sept. 20
Do. pfd.	.12½	Oct. 1	Sep. 15
Gt. West Life	5.00	Oct. 1	Sep. 20
Greening Wire	.05+.05	Oct. 1	Sep. 15
Gypsum, Lime	.25	Dec. 1	Nov. 1
Ham. Bridge	.12½+.12½	Oct. 1	Sep. 15

Dividends Declared (Con.)

	This payment $	Date payable	Date of record
Harding Carpets	.20	Oct. 1	Sep. 15
Hendershot Pap.	.25	Oct. 1	Sep. 16
Do. pfd.	2.50	Oct. 1	Sep. 16
Hinde & Dauch	.25	Oct. 1	Aug. 31
F. W. Horner A	.12½	Oct. 1	Sep. 1
How. Smith	.50	Oct. 31	Sep. 30
Do. pfd.	.50	Oct. 20	Sep. 30
Humberstone	1.50	Oct. 11	Sep. 15
Huron & Erie Mtge.	1½%	Oct. 1	Sep. 15
Imp. Tobacco	.12½	Sep. 30	Aug. 16
Do. 6% pfd.	3%	Sep. 30	Aug. 16
Do. 4% pfd.	.25	Nov. 1	Sep. 30
Int. Bronze pfd.	.37½	Oct. 15	Sep. 15
Ind. Accept.	.37½	Sep. 30	Sep. [illegible]
Do. 5% pfd.	1.25	Sep. 30	Sep. [illegible]
Do. 4¼% pfd.	1.06¼	Sep. 30	Sep. [illegible]
Do. 5% conv. pfd.	*.15½	Sep. 30	Sep. [illegible]
Ing. Mach. A	.12½	Oct. 1	Sep. 15
Do. pfd.	1.50	Oct. 1	Sep. 15
John Inglis	.10	Oct. 1	Sep. 15
Inter City Bak.	a.20	Sep. 30	Sep. 15
Int. Metal Ind. A	.40	Oct. 1	Sep. 15
Do. B	.40	Oct. 1	Sep. 15
Do. pfd.	1.12½	Oct. 1	Sep. 15
Int. Nickel	†.40	Sep. 20	Aug. [illegible]
Int. Paper	†1.00	Sep. 29	Sep. [illegible]
Do. pfd. 4%	†1.00	Sep. 29	Sep. [illegible]
Inv. Found. pf.	.75	Oct. 15	Sep. [illegible]
Jam. Pub. Ser.	.25	Oct. 1	Aug. [illegible]
Do. pfd.	1.75	Oct. 1	Aug. 31
Journal Pub.	.20	Oct. 15	Sep. 15
Kelvinator	.75+.75	Sep. 20	Sep. 5
Kerr Addison	.15	Sep. 28	Aug. 31
John Labatt	.25	Oct. 1	Sep. 15
Lamaque G. M.	.12	Oct. 1	Aug. 17
J. A. Lang	.25	Oct. 1	Sep. 10
Laur. Accept. pf.	.25	Oct. 30	Oct. 15
Lawson & Jones A	.50	Oct. 1	Sep. 15
M. Loew's	1.00	Sep. 30	Sep. 10
London Hosa.	.15	Oct. 1	Sep. 16
Do. A	.20	Oct. 1	Sep. 16
W. M. Lowney	.25	Oct. 15	Sep. 15
MacLeod	.05	Oct. 1	Sep. 15
H. R. Macmillan A	.12½	Sep. 30	Sep. 9
Do. B	.12½+.10	Sep. 30	Sep. 9
Mailman Corp.	.25	Sep. 30	Sep. 15
Maritime Tel.	.20	Oct. 15	Sep. 20
Do. pfd.	.17½	Oct. 15	Sep. 20
Mersey Paper	.30	Oct. 1	Sep. 10
Do. pfd.	1.12½	Oct. 1	Sep. 10
J. S. Mitchell	1.00+.25	Oct. 1	Sept. 15
Robt. Mitchell	.50	Dec. 15	Nov. 15
Modern Cont. A	.25	Oct. 3	Sep. 20
Moisons Brew.	.25+.25	Sep. 27	Sep. 6
Monarch Knit.	.25	Oct. 1	Aug. 31
Do. pfd.	1.12½	Oct. 1	Aug. 31
Mtl. Locomotive	.40	Oct. 1	Sep. 17
Mtl. Telegraph	.50	Oct. 15	Sep. 15
Moore Corp.	.75	Oct. 1	Aug. 31
Do. A & B pfd.	†1.75	Oct. 1	Aug. 31
Do. 4% pf.	.25	Oct. 1	Aug. 31
Murphy Paint	.20	Sep. 30	Sep. 14
Nat. Biscuit	†.40	Oct. 14	Sept. 9
Nat. Brew.	.50	Oct. 1	Sep. 9
Do. pfd.	.44	Oct. 1	Sep. 9
Nat. Grocers	.15	Oct. 1	Sep. 15
Do. pfd.	.37½	Oct. 1	Sep. 15
Nat. Hose. A	.15	Oct. 1	Sep. 2
Do. B	.30	Oct. 1	Sep. 2
Nat. Steel Car	.37½	Oct. 15	Sep. 15
Nat. Trust	.25	Oct. 1	Sep. 15
Nfld. Lt. & Pwr.	.25	Sep. 23	Sep. 1
Niagara W. W.	.40	Sep. 30	Aug. 20
Normetal M.	.10	Sep. 30	Sep. 2
North Star Oil pfd.	.08¾	Oct. 1	Sep. 15
N. S. Lt. & Pwr. ord.	.25	Oct. 1	Sep 7
Ogilvie Flour	.25	Oct. 1	Aug. 25
Obsco pf.	.35	Oct. 2	Sep. 20
Ont. Loan & Deb.	1.25	Oct. 1	Sep. 15
Ont. Steel	.25	Nov. 15	Oct. 14
Do. pfd.	1.75	Nov. 15	Oct. 14
Ott. Lt. Ht. & Pwr.	.15	Oct. 1	Sep. 14
Do. pfd.	1.25	Oct. 1	Sep. 14
Page-Hersey	.45	Oct. 1	Sep. 15
Power Corp. 1st pfd.	1.50	Oct. 15	Sep. 20
Do. 2nd pfd.	.75	Oct. 15	Sep. 20
Pressed Met.	†.25	Dec. 1	Nov. 10
Preston E. D. M.	.01½	Oct. 15	Sep. 15
Proprietary M.	.15	Sep. 28	Aug. 31
Que. Man. M.	.15	Oct. 1	Sep. 9
Regent Knit.	.40	Dec. 1	Nov. 15
Remington Rand	†.25	Oct. 1	Sept. 9
Do. pfd.	†1.12½	Oct. 1	Sept. 9
Renfrew Text. A	.15	Oct. 1	Sep. 10
Riverside Silk A	.50	Oct. 1	Sep. 13
Robinson Little	.20	Sep. 20	Sep. 15
F. L. Robertson Mfg.	.50	Oct. 1	Sep. 20
Do. pfd.	.62½	Oct. 1	Sep. 20
Robinson Cot.	.10+.10	Nov. 1	Oct. 3
Russell Ind.	.20	Sep. 30	Sep. 9
Do. 7% pfd.	1.75	Sep. 30	Sep. 9
Sag. Pwr. pfd.	1.07	Oct. 1	Sep. 9
Saudi-Arabian M.	†.15	Oct. 31	Sep. 23
Shaw. W. & Pwr. Cl. A pfd.	.50	Oct. 3	Sep. 2
Sheep Creek G. M.	.02	Oct. 15	Sep. 30
Sherwin Wms.	.30	Nov. 1	Oct. 10
Do. pfd.	1.75	Oct. 1	Sep. 14
Sick's Brew.	.25	Sep. 30	Aug. 30
Silverwood Dair. A	.15	Oct. 1	Sep. 7
Do. B	.15	Oct. 1	Sep. 7
Silverw'd, W. D. pf.	1.25	Oct. 1	Sep. 7
N. Slater	.30	Nov. 1	Oct. 10
Do. pfd.	.53	Oct. 15	Oct. 3
S. A. G. & Plat.	†.12½+.05	Oct. 31	Sep. 21
So. Can. Pwr.	.30	Nov. 15	Oct. 20
Do. pfd.	1.50	Oct. 15	Sep. 20
Stand. Pav.	.50	Oct. 1	Sep. 15
Do. pfd.	.62½+.12½	Oct. 1	Sep. 15
Stan. Brock A	.15	Nov. 1	Oct. 10
Do. B	.10	Nov. 1	Oct. 10
Stedman Bros.	.20	Oct. 1	Sep. 15
Sterling Trusts	1.50	Oct. 1	Sep. 15
Sun Life Ass.	3.00	Oct. 1	Sep. 15
Super Serv. 4½% pf.	.11¼	Dec. 15	Nov. 22
Sylvanite G. M.	.01½	Oct. 1	Aug. 12
Tamblyn Ltd.	.25+.05	Oct. 1	Sep. 9
Do. pfd.	.50	Oct. 1	Sep. 9
Teck-Hughes G. M.	.05	Oct. 1	Aug. 17
Thrift Stores	.25	Oct. 1	Sep. 16
Tip Top Canners A	.25	Oct. 1	Sep. 20
Tip Top Tailors	.15	Oct. 1	Sep. 1
Tooke Bros.	.10	Oct. 3	Sep. 15
Tor. Gen. Trusts	1.75	Oct. 1	Sep. 9
Tor. Iron	.15	Oct. 1	Sep. 15
Do. A	.15	Oct. 1	Sep. 15
Tor. Mtge.	1.25	Oct. 1	Sep. 15
Traders Fin. A & B	.37½	Oct. 1	Sep. 15
Do. pfd.	1.12½	Oct. 1	Sep. 15
United Fuel A pf.	.75	Oct. 3	Sep. 9
United Steel	.15	Sep. 30	Sep. 15
Verney Corp. pfd.	.56	Oct. 1	Sep. 15
Viau Ltd.	.25	Oct. 1	Sep. 20
Do. pfd.	1.25	Oct. 1	Sep. 20
Wabasso	.25	Oct. 1	Sep. 10
Waite Amulet M.	.30	Sep. 30	Aug. 10
Waterous	.10	Oct. 14	Sep. 30
Western Groc. A	.50	Oct. 15	Sep. 15
Do. pfd.	.35	Oct. 15	Sep. 15
Geo. Weston	.25	Oct. 1	Sep. 9
Wilsil Ltd.	.25	Oct. 1	Sep. 1
Woods Mfg.	.50	Sep. 30	Aug. 31
Wool Combing	.40	Oct. 10	Sep. 23
Wright-Harg. M.	.04	Oct. 1	Aug. 26

†American funds. *Initial.
‡On redemption June 1-Sept. 30.
aNew common.

Market Comment

What stocks and bonds are doing and what prominent observers say

This has been a momentous week for Canadians and United States stock market followers. Findings of the presidential fact-finding board which had been investigating wage demands in the U.S. steel industry, were followed by announcement from Washington of several important agreements designed to ease Britain's dollar problem, agreements that investors were quick to see would not seriously threaten market equilibrium.

The market was quick to respond to the bullish implications of both situations, particularly the former. The New York Dow-Jones industrial average pushed through the previous August high at early midweek on heavy volume. Starting out with the steels, buying interest quickly spilled over into the motors, oils and base metals. Canadian industrials were buoyed up by the stronger buying tone in such blue chip interlisteds as C.P.R., Consolidated Smelters, International Nickel, Brazilian Traction and Int. Paper.

Big market implication from the steel board's findings is that the suggested settlement pattern—no wage rate increases but added social benefits that works out at around 10c an hour—might set the pattern for a long list of pending wage agreements in industry.

As was expected, Canadian golds reacted downwards early in the week when it appeared that stop-gap measures to bolster Britain's dollar position might postpone further the expected devaluation of the pound.

Active traders will be happy to learn that Toronto, Montreal and New York stock exchanges will resume Saturday morning trading sessions Oct. 1.

• • •

FRANK G. LAWSON: Moss, Lawson & Co. (Toronto).

Calling of 1949-59 Conversion Loan 4½% Bonds has brought the holders to the realization that 4½% on a government bond belongs to a past era. Those who have found their main source of income from such a security and who have had no experience with other securities are in a quandary as to how to get enough income on which to live, because not only have interest rates gone down but the cost of living has gone up.

Such persons are afraid of stocks because their experience with stocks is probably limited to the fly-by-night promotor who has been in the neighborhood or on the telephone trying to sell oil or mining stocks that have fanciful prospects and little value. The stock broker cannot afford to send salesmen out into the country to sell high grade stocks because the regular Stock Exchange commission is too small to permit it. Yet there are many sound stocks selling on the Stock Exchange paying dividends to yield 4½% and better.

Some of our Canadian stocks have paid regular dividends for over 50 years. To buy these stocks a person need only write or call on a member house of the Stock Exchange or even see his bank manager. Such stocks may fluctuate in price from year to year but because dividends are paid regularly, the holders feel almost as secure as if they owned bonds. The present is as good a time as any for new investors to become shareholders of one or more of our leading Canadian companies.

• • •

F. J. CRAWFORD: F. J. Crawford & Co. (Toronto).

Under conditions of prosperity and adversity in general business, better class gold mining companies have done well by stockholders.

Operations of the past 20 years tell the story. When business generally was suffering in the 1930's, the gold industry flourished. When labor and materials shortages prevailed in wartime and costs of operations soared in the post-war period of the 1940's, most of the soundly based established gold producers were able to maintain payments of dividends, some of them of substantial proportions.

Not a few Canadian gold mines have paid dividends consistently for 10-20 years, and some longer, while a goodly list of younger producers have made distributions for five to 10 years. Older South African gold mines have longer dividend records.

Furthermore, base metal mines that produce substantial amounts of gold annually stand out, because revenues from the yellow metal have helped to sustain earning power and dividends on a satisfactory level even in times of general economic depression.

Soon a new decade will start. What of the 1950's? Return to more normal costs is expected, and anything like normal operating costs should enable the mines to prosper with gold at the current price of $35 per ounce. The general trend of taxes should be downward.

As long as national currencies are used to pay for imports of goods, gold reserves will be needed whenever exports fail to equal imports. One trouble with currencies is that at times the most honored hard ones turn soft, whereas anyone will accept gold in payment of goods at any time, or trade will wane.

The meeting of political and financial leaders in Washington this week may prove eventful from the standpoint of the gold mining industry. Should devaluation of any important currency be authorized with a view to rehabilitating external trade relations, in time at least an increase in revenue received by Canadian producers per ounce may result.

Generally speaking, gold mines of this country, once proven commercial, have been long-lived. New mines are in the making, and some of these will add to the earning power of existing seasoned companies. Prosperity of the industry as a whole in the coming decade appears pretty well assured.

• • •

BARRON'S: The Trader (New York).

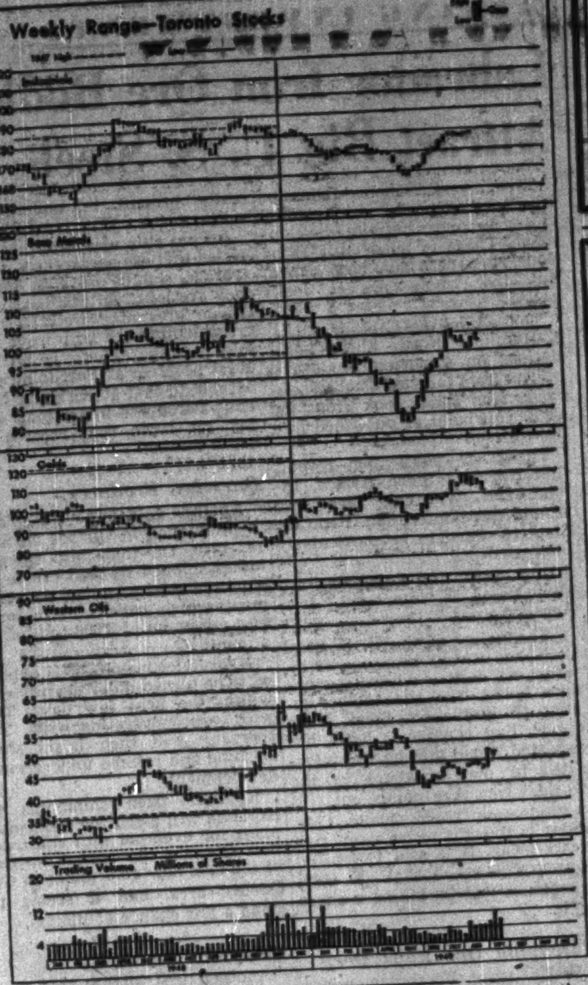
With business revival clearly established and soaring orders pointing to further gains, stocks still sell at far below any normal relationship to earnings. Barron's 50-stock average is currently selling at only 10.2 times 5-year average earnings, the smallest ratio, with the exception of the 9.6 figure at June market bottom, that has existed at any time in over the past three years. The current ratio is 31% lower than the 14.7 figure that prevailed at the low of Oct., 1946.

Unlisted Mines, Oils

Approximate quotations, 3 p.m., Sept. 12, subject to confirmation and changes:

	Bid	Ask
Abenakis	3	5
Advance	4	5
Alexander	3	5
Aljo	1	2
Ama Kir	6½	8
Anna'que	1½	2½
Arctic	6	8
Argonaut	1½	2½
Audley	1½	3
Auterra	1	3
Aurora Y	1	9
Baker	1	2
Barb L N	2	4
Batch R	..	30
Beaulieu	2½	3½
Beauriv	2	4
Bi Ore	17	21
Blondor	1½	3
Bouzan	7	9
Bour C	2	3
Bradnor	3	5
Braminco	17	..
Br Breest	3	5
Bravo	1½	3
Bright R L	2	3
B McDade	10	13
Bulldog	..	23
Burley Po	1½	3
Camlaren	4½	6
Camray	29	32
Captain	3	4
Carricona	1	1½
Cassidy	2	3
Cent M	6	7½
Cock R L	1½	2½
Columbier	1	2
Con Chib	24	27
Con Cop	8½	9½
Courageo	1½	3
Craibbe	5	7
Croydon	1½	3
Cuyuni N	40	45
Delhi	5	10
Derlac	1½	2½
De Sant	2	4
Dickenson	17½	19
Dom Mal	1	2
Dona Pat	1	2
Doris	1½	2½
Durham	8	10
Echo Ind	3	5
Elmac	3	5
Erin Kirk	3	4
Flicka	1½	2
Forty Four	90	100
Gan Cop	3	5
Geneva L	7	9
Gilbec	1	1½
Goldpac	10	15
Goodrock	1	2
Gord Label	1½	3
Gov Gold	3	5
Grnd Chib	23	25
Greenlee	6	7½
Gradhog	8	10
Halden	2	5
Habitant	3	5
Harp Mal	2	2½
Hornfault	8	10
Hayes Cd	1	2
Hugh Pam	10	12
Independ	4	5
Islepines	26	30
Joannes D	1	2
Kamlac	17	20
Ken Bay	6	7
Kenda Pe	5	7
Kenroy	1	2
Kingdon	..	20
L Expanse	7	8
Lar-Add	3	4
La Salle	5	6
Lavalie	2	3
Legardo	1½	2
Lennie	1½	3
Le Pine	3½	4
Louvore	1	1½
Mallen R L	3	4
Marbenor	8	10
Marquette	1	2
Mar Bird	4	6
Mary Ann	5½	6
Mat Con	38	41
Metalore	4½	5½
Mate Yel	3½	5
Miles R L	3½	5
Mindus	13	16
do vt	10	13
Mink	3	5
Mistassini	2	4
Moffat H	2	3
Mohawk P	1	2
Murbell	1	3
Murmac	14	16
McManus	5	7
McCuaig	4	5
Nat Mal	43	45
Nayb '45	2	4
Newcore	4	6
New Aug	12	15
New Mal	3	4
Nickel L	4	6
Nisto	21	22
N Offsets	150	200
Norbeau	93	110
Norbec	8	11
Norcourt	2½	3½
Norford	2	3
Normar	3	5
Nortyne	1	3
Novele P	3	4
Obalski old	2	..
do '45	11	14
Obaska	8	10
Oklend	4	6
Olivet	2	2½
Opemiska	11	14
Ortona	4½	5½
Pascalis	19	22
Pelangio	4	6
Payne	5	6
Phelps	1½	2½
Pinnacle	1	2
Poona Go	1	1½
Presdor	2	3
Privateer	17	19
Pro Divers	25	30
Queje	2½	4
Quest	2½	4
Rand Mal	10	12
Rajah R L	1	3
Raymond	1½	2½
Randona	2½	4
Rebair	..	13
Redruth	4	6
Redwood	8	9
Rhyolite	2½	3½
Richgroup	7	8
Russet	4	6
Salmita	3	4
Santiago	6	8
Sepha	1	2
Sheldon	12	14
S Dufalt	3	5
Silv Arro	2	4
Sovereign	4	5
Skynner	1½	3
Starlight	2	4
Sun Bear	4½	6
Thornhill	1½	2½
Tiffany	1½	3
Tobico	4½	5½
Tovarich	1	2
Viking	13	15
Val d'Bel	1½	1½
Vinray	2½	3
Walcoro	2½	3½
Wesley	1½	3
West R L	1½	2½
Wilwood	1	2
Y Davids	20	21
Yelknife	160	..
do vt	135	..
Zolota	17	20
OILS		
Franco	50	55
Granleduc	20	23
Home O	10½	10½
Jupiter	13	15
Lingnora	4½	6
Major Oil	1½	2½
Nw Ranch	2	3
Pac Oil Re	..	5½
Princess	24	26
Universal	2	3
Westlock	6	8
Vermilion	37	42

Weekly Range—Toronto Stocks



New Highs & Lows

During the week ended Sept. 10, 31 new highs were recorded among the general stocks on Canadian Stock Exchanges and 8 new lows. In the mining group there were 21 new highs and five new lows. In the western oil group there were two new highs and one new low.

GENERAL

New Highs—1949

- Aluminum of Can. pfd.
- Beaver Lumber
- Bell Telephone
- Bertram B
- Br. American Oil
- B. C. Power A
- Do. B
- B. C. Turf
- Canada Bread
- Can. Packers B
- Canada Steamship
- Can. Fairb.-Morse pfd.
- Coast Brew.
- Distillers Seagram
- Consumers Gas
- Dom. Bank
- Dom. Glass
- Foundation Co.
- Humberstone Shoe
- Industrial Accept.
- Do. 5% pfd.
- Mari. Teleg. pfd.
- Molson's
- H. Morgan pfd.
- Nat. Breweries
- Nat. Grocers pfd.
- Ont. Steel
- St. Law. Pap. 2nd pfd.
- Stand. Chemical
- Stand. Paving
- United Fuel pfd. A

New Lows—1949

- Acadia Atlan. Sug. pfd.
- Belgium Glove pfd.
- Biltmore Hats A
- Fleury Bissell
- Gord. Mackay B
- St. Law. Pap. 1st. pfd.
- Simpsons B
- Waterous Ltd.

MINING

New Highs—1949

- Ascot Met.
- Atlas Yk.
- Broulan
- Castle Trethewey
- Cons. Duquesne
- Cournor
- East Amph.
- Heva
- Highridge
- Hud. Rand
- Jacknife
- Mosher L. L.
- Norlartic
- Parbec
- Partanen
- Porc. Reef
- Powell R.
- Do. V.T.
- Renabie
- Sherritt Gordon
- Sladen M.

New Lows—1949

- Barymin
- Boymar
- Cons. Ansley
- Lexindin
- North. Den.

OILS

New Highs—1949

- Flank P.
- Marvel

New Lows—1949

- General P. A

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30,000 'Supers,' Merchants Watch Big Tube Start

A four-year field day dawned for Canada's biggest army of "sidewalk superintendents."

An estimated 30,000 one day last week gave undivided attention to start of Yonge Street construction for the Toronto Transportation Commission $50 million rapid transit subway, Canada's first (The Financial Post, July 30).

Motorists, taxi and truck drivers were caught in a hundred traffic snarls. They watched too. Housewives got the opening ceremony by radio when Ontario's Lieutenant-Governor Ray Lawson drove the first pile.

Merchants peered anxiously through their front doors at the backs of potential customers. Some said the "big dig" and attendant traffic blockage will cost them business. One, a tailor, enterprisingly combined the hour with the season, proclaimed in an advertisement: "Subway construction did this! $100,000 worth for $65,000. The TTC is about to rip up Yonge Street and we stand to be caught off base with large stocks of cloth. We've got to clear the decks . . . and fast!"

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Position of Chartered Banks of Canada as of July 31, 1949, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada Secured $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits in Canada in currencies other than Canadian $	Deposits Elsewhere $	Bal. due to other banks in Canada $	Due to banks in U. K. $	Due to Banks Elsewhere $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal*	3,718,786	[illegible]	[illegible]	....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	44,000,000	36,000,000	2,061,640,947
Nova Scotia	1,289,180	[illegible]	[illegible]	....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	24,000,000	12,000,000	783,042,141
Toronto	347,631	[illegible]	[illegible]	....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14,000,000	6,000,000	443,670,824
Provincial	268,626	[illegible]	[illegible]	....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,000,000	4,000,000	154,128,326
Commerce†	3,042,667	[illegible]	[illegible]	....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	30,000,000	30,000,000	1,568,601,021
Royal‡	3,640,299	[illegible]	[illegible]	....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	44,000,000	35,000,000	2,207,156,045
Dominion	512,739	[illegible]	[illegible]	....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10,000,000	7,000,000	399,499,120
Nationale	558,067	[illegible]	[illegible]	....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7,000,000	7,000,000	419,734,586
Imperial	719,717	[illegible]	[illegible]	....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10,000,000	7,000,000	493,858,922
Barclays	53,740	[illegible]	[illegible]	....	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	750,000	1,500,000	33,218,734
Total	14,627,640	449,963,770	150,954,307	....	2,188,425,938	4,340,900,078	79,602,982	629,783,745	58,491,896	40,914,038	89,872,780	178,025,193	6,362,353	3,285,010	183,750,000	145,500,000	8,555,590,666

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorised $	Capital Subscribed $	Last Dividend %	†Loans to Directors and firms of which they are partners $	Greatest Amount of Notes in Circ. $	Bills rediscounted with Bank of Canada $
Montreal*	50,000,000	36,000,000	8	550,178	3,758,951	....
Nova Scotia	15,000,000	12,000,000	12	2,695,205	1,278,121	....
Toronto	10,000,000	6,000,000	12	416,710	551,346	....
Provincial	5,000,000	4,000,000	6	117,778	259,023	....
Commerce†	50,000,000	30,000,000	8	1,645,669	3,056,654	....
Royal‡	50,000,000	35,000,000	10	1,976,275	3,972,486	....
Dominion	10,000,000	7,000,000	10	312,916	520,649	....
Nationale	10,000,000	7,000,000	8	855,633	563,092	....
Imperial	10,000,000	7,000,000	12	503,199	723,942	....
Barclays	1,500,000	1,500,000			54,390	....
Total	211,500,000	145,500,000		9,076,563	14,758,467	....

†And loans for which they are guarantors

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada $	Gold and Subsidiary Coin held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes and Cheques on other Banks $	Govt. and Bank Notes other than Canadian $	Balances due by other banks in Canada $	Due by banks in U. K. $	Due by banks elsewhere $	Dom. Gov. Short Term Sec. $	Dom. Gov. Long Term Sec. $	Prov. Gov. Short Term Sec. $	Prov. Gov. Long Term Sec. $	Canadian municipal securities $	Public Securities other than Canadian $	Other bonds and stocks $	Call and short loans in Canada $	Call and short loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-current loans $	*Real estate other than Bank premises $	Bank Premises $	Deposit for note circulation $	Other assets $	ΔTotal assets $
Montreal*	2,443,867	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nova Scotia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Toronto	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Provincial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commerce†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Royal‡	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dominion	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nationale	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Barclays	10,477	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	11,072,818	2,722,013	172,753,278	566,928,889	234,547,829	90,294,849	1,027,332	27,093,704	150,051,997	1,033,348,934	2,312,249,904	93,220,033	331,357,984	183,970,255	237,693,715	399,852,895	77,313,248	80,593,440	2,052,213,148	211,542,739	20,488,857	84,838,076	1,897,943	1,308,994	84,831,940	841,868	21,332,972	8,570,157,733

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

*Includes mortgages.
ΔIncludes $178,025,193 letters of credit outstanding as shown in liabilities.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of The Royal Bank of Canada (France) are included in the above general statement.—Footnote to The Royal Bank of Canada Return.

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MINING INVESTMENTS

Labrador Iron Ore Bodies Attract Big U. S. Steels

"The vast Quebec-Labrador iron ore deposits are coming closer to more definite development. There is much still to be done. No papers have been signed, but the whole project looks better."

That's how the Labrador M. & E.-Hollinger North Shore negotiations on financing production of iron from the vast Quebec-Labrador iron range look from the U. S. viewpoint as published in a recent issue of Iron Age.

The U. S. publication reveals that Republic Steel, Armco, Inland and Wheeling Steel are among those interested. Republic Steel is stated to be particularly interested.

U. S. Steel and Bethlehem are also classed as "interested," Iron Age declares.

"The policy of the U. S. Steel Corp. has always been one of interest no matter where ore has been found. The same policy applies to Bethlehem Steel. Gene Grace, that company's head, has repeatedly said that he was interested in ore anywhere in the world," Iron Age points out.

Production from Quebec-Labrador is thought to be about five years away. It is said to be "no longer a guess" that U. S. steel companies will be taking a share of it.

• • •

Porcupine Ore Runs Deep

While some Porcupine mines (e. g. Moneta and Vipond) have found ore occurrences to bottom at relatively shallow depths, the Porcupine camp has given new evidence that its ore does run to depth, that a big future is still ahead of it.

McIntyre Porcupine Mines has cut "normal ore" at a depth of 6,425 ft. which is about 1,000 ft. below previous ore developments.

Geological belief had always supported the view that Porcupine ores, with their hydro-thermal original, should be deep-seated. But no matter how strong geological beliefs may be, it is always encouraging to find values really present in underground work.

An old rule of thumb has suggested that ore occurrences on the average, should prove as deep as they are long. On this basis, Porcupine ores may well go to as great depths as it will prove feasible to mine. There is no rock burst problem at Porcupine comparable to that at Kirkland Lake. Thus Porcupine mines may some day set some real records for depth mining.

• • •

Quesabe Produces

Another gold mine was placed in production in Quebec on Sept. 14, 1949. On that date Quesabe Mines shipped its first ore to the Noranda smelter under an agreement which calls for treatment of a minimum of 3,000 tons of ore a month.

Hydro-electric power is expected to be turned on at the property within the next few days. This will reduce operating costs. The company will then begin shaft slashing and resume underground development.

Revenue from shipments to Noranda will assist the company's plans for eventual mill construction. Quesabe has opened up one of the best new gold mines in the Quebec area, and it seems to stand a fair chance of success.

• • •

Duquesne Stands Up

Another new Quebec gold producer, Consolidated Duquesne Mining Co., has apparently been finding results up to expectation. President C. Glenn Hunter states that initial three months have been highly satisfactory from an earnings standpoint.

It is expected that 4,000 tons of ore a month will be shipped by Cons. Duquesne to the Cons. Beattie mill under normal conditions. So far grade has been around $11 a ton which checks with ore reserve estimates.

The company is broadening its exploration program. This will be facilitated by the recently electrified mining plant. North and south zones are to be investigated, and a drill is to test a surface discovery located 300 yards west of the surface dump. Further drilling is also planned at the west end of the property to follow up indications obtained in earlier work.

• • •

Siscoe's Silver

An appreciable increase in both total and average recovery of silver has been realized at the O'Brien silver property of Siscoe Mines, secretary-treasurer M. Masterman informs The Financial Post.

Monthly production figures so far this year have been as follows:

Month:	Tonnage	Total Recov. oz. silver	Recov. per ton
January	1,651	32,481	19.70
February	1,113	21,394	19.00
March	1,620	42,000	26.00
April	1,727	46,736	27.65
May	2,197	51,890	23.62
June	2,094	53,476	25.53
July	1,845	55,022	29.80
August	2,081	57,495	27.60

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CALGARY & EDMONTON CORP. realized a net profit of $392,955, equal to 16.3 cents a share, the year ended June 30, 1949 (11.5 cents the previous year) after writing off $146,583 of exploration expense for the year including cost of successful completed wells.

An increase in total net revenue from $671,895 to $819,780 reflected increased "option to lease returns" of approximately $115,000 and participation in Leduc-Woodbend wells of some $27,000.

A total of 848,562 acres of C. & E. lands are either under lease or option reflecting increased interest in Alberta oil exploration. This represents 74% of all C. & E. lands.

Interests are held in four producing wells in the Leduc field completed prior to June 30, 1949, and a 20% interest is held in two further wells successfully completed since that date. An additional two wells are now being drilled in the same sector.

Amerada, Socony Vacuum, California Standard, Barnsdall and Anglo-Canadian are among those to which options have been granted on mineral rights.

In the Pincher Creek area, where C. & E. lands are under development by Canadian Gulf Oil Co., it isn't possible to place the discovery well on production for production of distillate until there is a market for the residue gas.

INCOME ACOUNT

Years Ended June 30:	1949	1948
Prod'n revenue	$630,259	$497,794
Add: Invest. inc.	27,522	29,374
Other rev.‡	161,999	144,727
Total net rev.	819,780	671,895
Less: Oper. exps.	78,706	73,988
Deprec., etc.	233	532
Curr. devel. w/o	146,584	137,412
Def. devel. w/o	39,302	76,313
Inc. taxes	162,000	105,500
Net profit	392,955	278,150
Less: Distributions	241,510	241,510
Surplus for year	151,445	36,640

‡Including amount received from wells in excess of drilling costs now recovered in full.

Earned per Share	$0.163	$0.115
Paid	0.10	0.10

CONDENSED BALANCE SHEET

As at June 30:	1949	1948
Cash	$164,942	$61,194
Royalties, etc., rec.	72,924	62,600
Mkt. sec. & accr. int. & divs.▪	737,395	739,342
Total curr. assets	975,261	863,136
Inv. Alta. Salt Co.	256,752	250,000
Development acct.▴	205,709	135,142
Surf. equip.♦	6,373	54
Land & leases	♦	♦
Total assets	1,444,295	1,248,332
Accts. pay.	......	7
Taxes pay.	105,208	74,362
Total curr. liab.	105,208	74,369
Capital	45,292	45,292
Surplus	1,293,795	1,128,671
▴After res. of	66,470	unstated
♦After depr. of	67,051	66,996
▪Mkt. val. of sec.	791,300	798,830

♦Balance sheet places no value on corporation's petroleum and mineral rights.

Working capital	870,053	788,767

CATHOLIC SCHOOL COMMISSION OF LACHINE has sold $325,000 of 3-3¾% serial 20-year bonds at a price of 98.59 to A. E. Ames & Co.; net average interest of 3.3412%. Proceeds are for erection of a school.

Sherritt Seeking Extension of "A"

A first diamond drill hole put down by Sherritt Gordon Mines from the 1,000-ft. level at its Lynn Lake property failed to intersect "A" ore body as expected, apparently due to a displacement of the ore body by a fault. This fault is apparently similar to that which shifted "A" body for an ore body width at a higher horizon.

Further drilling is now being done to pick up the extension of the ore body below the fault. Two drills are being placed on this job which has naturally been given a top priority.

It appears to be quite definite that the company has to deal with a fault problem rather than a bottoming of "A" ore body. Not only is a fault condition indicated in the first drill hole to depth but a fault was also indicated in the hangingwall of the ore body in the crosscut which was driven through the ore body at this level.

The faulting problem will mean some delay in the deep drilling program for the outlining of ore at depth, it appears.

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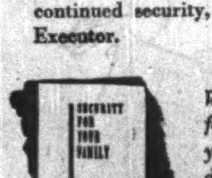

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FP-29

Sladen Malartic's Barnat Offspring Clicks True Width of 101 ft. Runs $9.45 Ton

By GORDON M. GRANT

Lightning has literally struck twice for the gold mining market.

Just a few weeks after a major new ore discovery at Upper Canada Mines on the Kirkland-Larder Lake belt, gold mining fever has swept sharply over into Quebec where Malartic has a big new ore disclosure at Barnat Mines — the company which consolidated Sladen and National Malartic properties.

Exploration of National Malartic ground from Sladen workings was expected to provide substantial new ore for Barnat. But recent results have been beyond expectations.

National Malartic has two ore structures, north and south parallel and about 1,200 ft. apart.

Work on the 1,250-ft. or bottom level of the north structure is providing the ore news that appears likely to prove mainly responsible for a future lift in Malartic gold output.

Intersection of the north ore structure in a drill hole put out at the 1,250-ft. level with a value of $9.45 secured over a 101-ft. width has been the major news of latest consequence. But equally important, the drill hole occurs in a north zone setting which pretty well assures a substantial tonnage of good grade ore.

Here is what has happened. Since consolidation, Barnat has put out drives to the north at the 325-, 700- and 1,250-ft. levels from the former Sladen workings. After traversing the south ore zone on National, drives were continued north.

At the 1,250-ft. or lowest level, the crosscut was carried through the north zone before it was realized this zone had been traversed. After the crosscut had been continued still further north, a drift heading was carried on line in an east direction. Putting out of holes to the south at 100-ft intervals has been revealing rich ore.

Many Holes In Ore

As the drift progresses eastward from the crosscut, a first flat hole to the south gave $6.30 over 9.1 ft. and $4.20 over 6.3 ft. The hole next to the east (100 ft. away) showed a sharp improvement with $12.60 over 45.4 ft. and $8.30 over 5.5 ft.

Another 100 ft. to the east, a flat hole to the south gave $21.87 over 31.6 ft. of core with the last 13 ft. averaging better than an ounce. An uphole at 30 deg. from the same drift setup has returned the value of $9.45 over 101 ft. Due to the known dip of the ore, intersected width is believed to be true width unless the hole deviated. A survey is to be carried out to check this possibility.

A down hole (to test below the level) from the same set up has had to be temporarily abandoned due to a sharp deflection.

As the drift continues eastward, these other ore results have been secured: at 100 ft. further east, the flat hole gave $6.86 over 7.3 ft. in the flat hole, $6.86 over 42.2 ft. at 50 ft. above the level, $4.02 over 20 ft. in down hole. In a hole 70 ft. east of this again, the flat hole ran $7.70 over 15.1 ft., $6.44 over 48.2 ft. was returned at 200 ft. above the level, $10.85 over 17.2 ft. at 70 ft. above the level, $8.75 over 29.5 ft. at 70 ft. below the level, $30.10 over 6.3 ft. at 155 ft. below.

Two further flat holes were fanned out eastward from the east end of the drift to cut the zone 100 and 200 ft. further east. These ran $4.58 over 19.1 ft. and $8.40 over 38.5 ft., respectively.

Altogether, this work indicates about 700 ft. of ore length (allowing for projections of 50 ft. on each end). Surface drilling returned ore intersections both to east and west and it is likely that a lot more ore will be demonstrated. Drifting east has been undertaken at the 1,250-ft level and 140 ft. has averaged $15.40 across drift width on both channel and muck sampling.

Work has been completed in ore on both 325 and 700-ft. levels of the north zone. On the 350 level, 150 ft. of $4.00 material, a barren stretch, and 120 ft. averaging $21 across drift width have been opened. Extent of this structure is yet to be established.

On the 700-ft. horizon about 80 ft. of high grade ore was encountered in a raise completed up to a zone which returned $11.37 across 37 ft. on the 525-ft. level in previous work.

On the south ore zone, great progress has been made in readying ore bodies for mining. About two months ago, reserves between the 212 and 525-ft. horizons here were estimated at 165,000 tons of a grade of approximately $5.00 a ton. Tonnage is probably up to 200,000 tons now. Due to showings of visible gold, grade may work out to about $6.00 a ton.

The Barnat-Sladen operation has been one of the most efficient gold mining undertakings in Canada. It is expected a good grade of ore can be translated into a real level of earnings. In 1948, an operating profit was realized on an average recovery of only $2.75 a ton. In eight months of 1949, over-all costs were only $3.87 a ton, including 11 cents a ton for write-offs and something over $1.00 a ton for development. The mill averaged 610 tons of ore daily to the end of August. Despite the great development program carried on (no development was capitalized), there has been only a small loss for the period.

Sladen Malartic which has 3,499,021 of its own shares outstanding, owns 2,184,996 of 3,650,000 issued Barnat shares. National Malartic shareholders are receiving one share of Barnat for each two old shares plus one new National Malartic for each five old. Application has been made for the listing of Barnat shares on the Toronto Stock Exchange.

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Alberta Can Meet One-Third Canada Crude Oil Demand

The crude oil reserves of Alberta's oilfields have been placed at one billion barrels by M. L. Haider, director of Imperial Oil Ltd. and head of the company's crude oil producing department.

The fields will be capable of producing approximately 100,000 barrels a day by the end of this year, Mr. Haider claimed. This would represent nearly one-third of Canada's present demand. The lack of adequate facilities to reach markets beyond the Prairies, however, would keep actual production down to 60,000 to 70,000 barrel level for some time. The pipe line from Edmonton to the Great Lakes, now being planned, will help to close the gap between actual and potential production, it was said. Mr. Haider was addressing a meeting of the American Institute of Chemical Engineers at Montreal.

Gold Output Now Best Since War

Canadian gold production achieved a postwar high in June, according to figures just issued by DBS.

Output for the month of 344,125 oz., was narrowly better than the previous 1949 high of 342,677 oz. (March), was 19% up on the 290,049 oz. produced in June, 1948.

For the first half of 1949 output reached 1,963,565 oz. (1,687,221 oz. in 1948).

On the basis of June production, gold output is currently at a rate of $144,532,500 a year.

All divisions of Canada, except British Columbia, have been contributing to the increase in output of the yellow metal.

CUYUNI GOLDFIELDS is proceeding with installation of a new gas producer power plant at a cost of $47,000. Installation is proceeding and it is expected to be ready for shaft sinking by the end of the year. Proposed depth development is based on diamond drilling results last year. A profit of $4,000 to $5,000 a month is stated to have been shown from treatment of tailings.

Falconbridge Net Jumps Sharply

A sharp increase in net profits to $501,883 or 15 cents a share was realized by Falconbridge Nickel Mines in the three months ended June 30, 1949. In the immediately preceding quarter, realized profit was $306,337 or 9.1 cents a share.

Favorable earnings of the second quarter are reported by Secretary R. Campbell to reflect not only delivery of production during the period but also of metals produced in the first quarter whose delivery had been temporarily held up by exchange and transport difficulties. Deliveries for the first two quarters, however, approximate production of refined metals.

A note of caution is sounded on second half business due to lower prices for copper, precious metals. European metal deliveries may be affected by prevailing exchange difficulties, it is pointed out.

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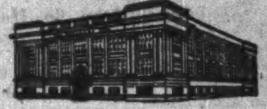

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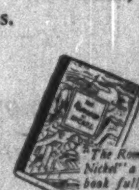

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LONDON CALLING—*By Adelphi*

Dollar Worries Give Way To Vote-Winning Problems

LONDON — The politicians have taken their minds off money for a while to think about politics. This is quite an event in this country where there is a danger of political theory being sacrificed to economic necessity.

Many factors have contributed to the present increasing political consciousness. For one thing there was nothing more to be done in the economic field until the results of the Washington talks were known.

Then there is the end of the holiday season. The finest summer in living memory has lulled us all to a sense of well-being, a belief that all is well with the world and that the sun will go on shining for ever, so what does it matter.

Though the sun is still trying to keep us from more serious things the clock does not stand still and we're now well into September.

With that has come the realization that the serious business of a general election has got to take place before the next summer holiday comes round. So they are reluctantly leaving the seaside, the country lanes, the continental resorts, coming back to London for the purpose of getting down to this grim affair.

The trade union movement's battle with the Communists highlights another political cleavage. This is a curious battle, however. While probably over 90% of the eight million subscribing members of the trade unions are anti-Communist, these are not the vocal ones.

It is the small rump of Communists who become the shop stewards, the factory agitators and who form an unduly high proportion of the delegates to the conferences. In the result millions of anti-Communist workers find they have Communist spokesmen.

It arises, of course, from the fact that the average British workman cannot be bothered with all the intrigue and complication of being a union office-holder. He leaves that to the "clever fellow," the barrack-room lawyer who likes the sound of his own voice. The Communists are quick to exploit this typically British apathy towards political activity and so give a totally wrong impression of the working man's outlook and intelligence.

• • •

European Assembly Proves Lusty Infant

Some of the returning politicians have come from Strasbourg where they have been trying to create a European parliamentary assembly. This project, about which much sceptical prophecy was made, has not been without its moments. And the assembly has at least succeeded in making itself into a comparatively cohesive body with the possibility of exercising a will of its own.

For instance, there was the question of sending its own economic delegation across the Atlantic. Government leaders were opposed to this idea. They naturally would be; all government leaders like to keep the power and authority in their own hands and they do not like to hear any voice raised in rivalry to theirs.

That was why Mr. Dalton for the British Socialists tried to sabotage the proposals. If anybody was going to do any talking for Britain in U.S., he said in effect, it was going to be the British Socialists. But the assembly would have none of it and voted him down.

It is for this type of reason that I feel justified in saying there are signs of a developing will power quite unexpected in an infant so young and born in such unpromising circumstances.

Whether this lusty infant will ever prove capable of carrying its will into effect is quite another matter. Personally, I think the great majority of people here agree with Lord Beaverbrook. They would prefer to put consolidation and unification of the Empire first.

• • •

MP's Hope New House Ready Next Spring

Of more domestic interest to members of Parliament is the question of whether this Parliament will sit in the new debating chamber at Westminster. The old one, it will be recalled, had the misfortune to be destroyed by almost the last bomb of the last raid of the 1940-41 blitz on London.

Since then the Commoners have met in the debating chamber of the House of Lords. The Lords in their turn have been exiled to another part of the Palace of Westminster known as the King's Robing Room.

It was generally understood that the new Commons debating chamber, arising on the site of the old, would not be ready until the autumn of 1950, after the latest possible election date.

Now there is talk of the new building being completed by March 31, 1950. In that event it is, not impossible that members of the present House may occupy it, if only for a matter of weeks.

• • •

Ready Before Election
Symbol of Enterprise

The launching of a new aircraft may not, in these days, seem a matter of great importance but to us here the successful maiden flight of the huge Brabazon has a peculiar significance. The biggest civil land plane ever, this great enterprise was born in the darkest days of 1943. No one knew then whether there was any sense in planning such a thing six years ahead.

The point is that confidence was never lost. And now here are the results, fully justified. It has done the people a lot of good. They have heard themselves so much disparaged, have read so much comment that this country was finished. Yet initiative, courage, enterprise are still the things which rouse the imagination and give new hope for the future.

The daring of HMS. Amethyst, the pluck and resource of the Smith brothers crossing the Atlantic in their little boat, and now the Brabazon. These are the things which lift up our hearts again, a great deal more than any number of dollars.

It is true that this new aircraft has already been overtaken by technical development and design. It will, presumably, never be anything more than a prototype. But we feel that having got first into the air in this new field of immensity we shall be able to keep the lead. It is good for the morale for a people to be able to claim supremacy in something.

• • •

Why So Many Would-Be Channel Swimmers?

Meanwhile there are others who prefer slower methods of transport and the Channel swimming season is at its height. I should like to be able to help you by explaining to you what is the fascination of this. Unhappily I cannot do so as I do not know it myself. I can understand the pioneer who, nearly 40 years ago, wanted to see whether it could be done. Well, it is now quite clear that it can be done so I see no point in continuing to enforce the argument.

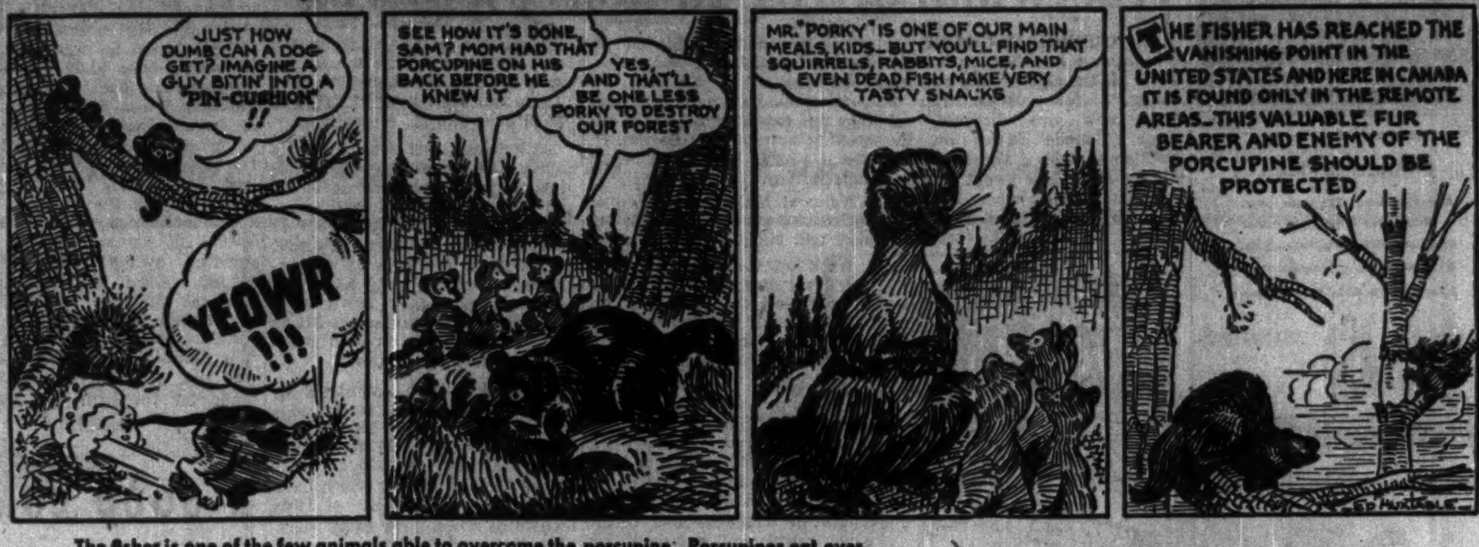
However, it must have its attraction, presumably in the sense of achievement, for it has very little commercial value—indeed practically none. I can only suppose that the aspirants are actuated by that purest of all motives, seeing a job well done for its own sake without thought of reward.

Personally I can cross the channel by ship or aircraft in comfort without a twinge of conscience at not having done it the hard way.

Commissionaires Find Tipping Off Sharply

So back we come to money once again. The commissionaires outside the big West-End hotels of London are complaining that tips have slumped badly this year. The holders of these jobs used to pay £2,000 to £3,000 to their predecessors to buy them off, for the tips brought in some £50 per week.

Now the takings are down to about a quarter of that amount. Asked who were the best tippers, one of the fraternity plumped at once for the Greeks, another for the South Americans. Both agreed, curiously, that women and naval officers were the worst. On your behalf I enquired of one of them about Canadians. "Ah," he said with an appreciative nod of his head, "They're all right."


CARLING'S CONSERVATION CORNER

JUST HOW DUMB CAN A DOG GET? IMAGINE A GUY BITIN' INTO A "PIN-CUSHION" !!
YEOWR !!!
SEE HOW IT'S DONE, SAM? MOM HAD THAT PORCUPINE ON HIS BACK BEFORE HE KNEW IT
YES, AND THAT'LL BE ONE LESS PORKY TO DESTROY OUR FOREST
MR. "PORKY" IS ONE OF OUR MAIN MEALS, KIDS—BUT YOU'LL FIND THAT SQUIRRELS, RABBITS, MICE, AND EVEN DEAD FISH MAKE VERY TASTY SNACKS
THE FISHER HAS REACHED THE VANISHING POINT IN THE UNITED STATES AND HERE IN CANADA IT IS FOUND ONLY IN THE REMOTE AREAS—THIS VALUABLE FUR BEARER AND ENEMY OF THE PORCUPINE SHOULD BE PROTECTED.
ED HUXTABLE

The fisher is one of the few animals able to overcome the porcupine. Porcupines eat evergreen bark, often circling the trunk and killing the tree. One porcupine may destroy over an acre of trees, so fishers, by controlling porcupines, help to keep nature in balance.

†Nature Unspoiled — YOURS TO ENJOY — YOURS TO PROTECT

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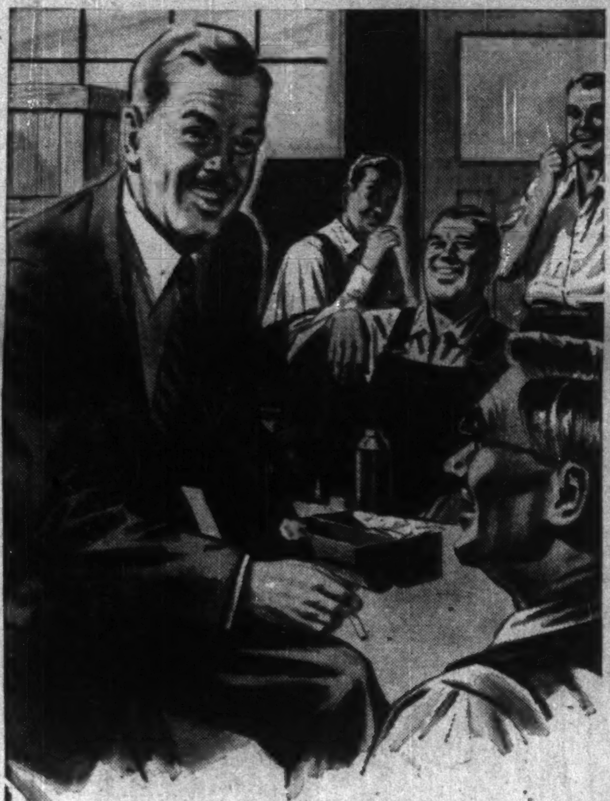
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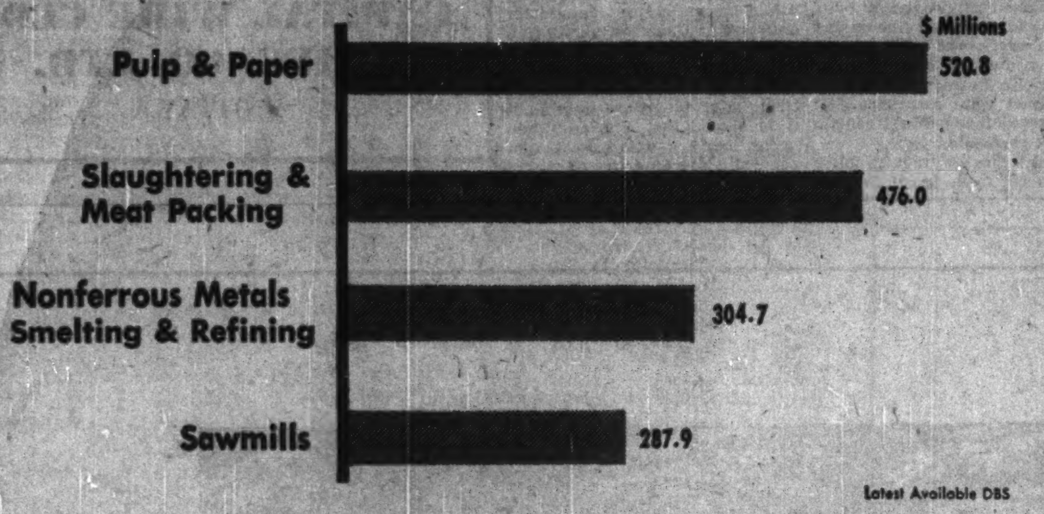
Here's Production-Exports-Employment Picture in Pulp and Paper Industry

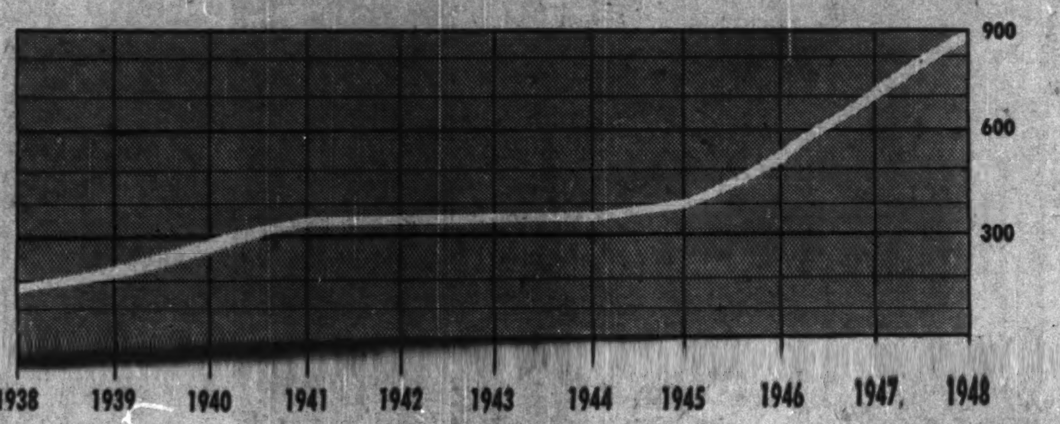
PRODUCTION

Pulp and Paper Is Our Largest Industry



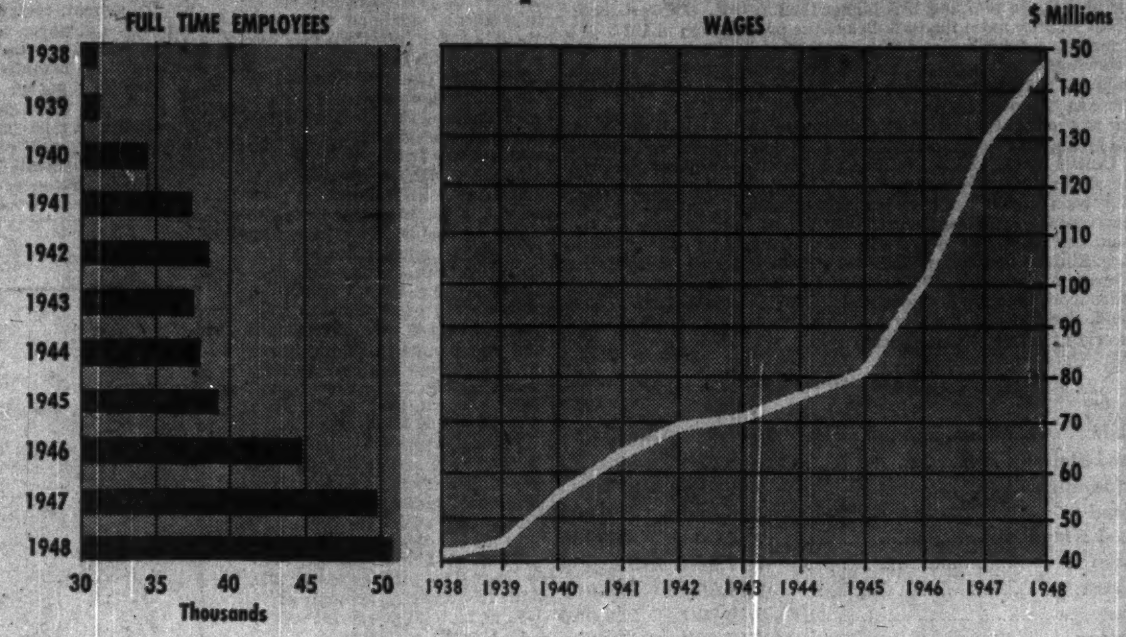
Latest Available DBS

Gross Value of Production Is Up 4 Times on Prewar

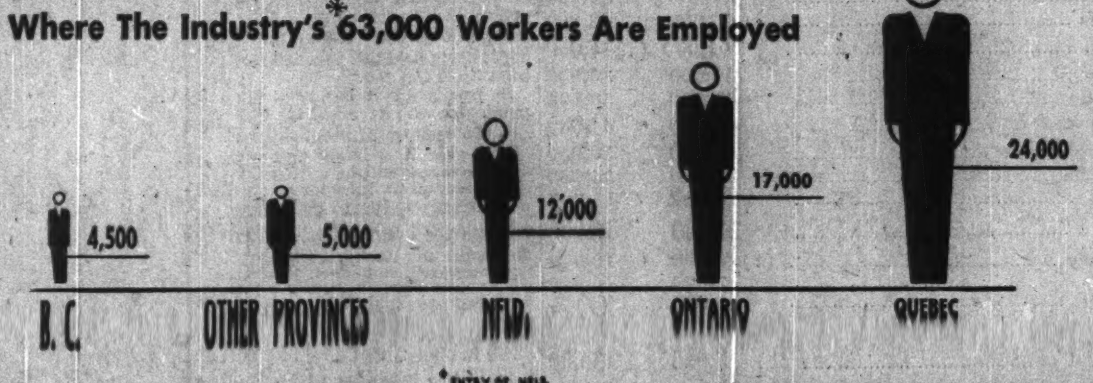


EMPLOYMENT

Payrolls Up 3½ Times, 60% More Jobs Than Prewar



Where The Industry's *63,000 Workers Are Employed



*ENTRY OF NFLD. ADDS 12,000 TO TOTAL EMPLOYED

Full-Time Employees

How's Pulp, Paper Outlook?

1949 Sees Industry Slowing Off From 1946-48 Pace In All Divisions Except Newsprint But Production Is Running at Twice Prewar Volume and Up 4 Times in Dollar Value

After revelling in three full years of pulp and paper shortages and sellers' markets, Canadian pulp and paper producers this year are out selling.

Supplies of most pulp and paper items are now available in sufficient quantity to meet market demand and in the case of woodpulp some surpluses have developed. The salesman has replaced the mere order-taker.

With the exception of the newsprint division the industry has slowed down from its 1946-48 pace. But the reduction in output so far this year gives little support to the "viewers-with-alarm."

At present production levels pulp and paper manufacturers are turning out about twice the volume of products they did in pre-war years—products which have a gross value of roughly four times the prewar average.

Over-all production of the industry last year was close to an estimated $900 millions, including Newfoundland production. Excluding Newfoundland, which did not enter until this year, Canadian production in 1948 topped the $706 millions figure of 1947 by $100 millions.

Volume of production— the yardstick of productivity—was 260,000 tons higher than the 7.7 million tons produced in 1947. Newsprint production was up over 3%, woodpulp up 5.3%. Final figures for building and fine papers have not yet been published but it is estimated that production in these lines was up correspondingly, probably reached the 1.4 million to 1.5 million tons mark. Pulpwood production in the 1948-49 cutting season was down approximately 20% reflecting improved inventory positions.

While there are still four months to go in 1949 it is likely that production this year will be somewhat less both in value and volume. Newsprint output is likely to show an increase, probably as much as 5%, which would put production of this item around 5.3 million tons, including Newfoundland, at the contract price of $100 a ton, worth $530 millions.

Woodpulp Exports Down

Production and prices of market woodpulp are down substantially from last year. Exports to United States are running 27% below last year; at the rate of approximately 1.2 million tons yearly. Dollar value of pulp exports is only about 15% below last year. On this basis pulp exports would run about $177 millions compared with the $211.6 millions in 1948.

But even this export dollar value would be as much as Canada sold in the export markets in 1947. The difference, however, is that in 1947 woodpulp producers were experiencing a rising market while this year it is possible that the last six months will show a sharper drop than in the first half. If this happens woodpulp exports may not exceed $150 millions.

In the building and fine paper divisions production and prices have held relatively strong so far. Over the past two or three years about 80% of the dollar value of production of these items has been sold in the domestic market, the balance going largely to Commonwealth export markets.

This year it appears that the Canadian market will be called on to absorb a greater proportion of production since exports of all paper (other than newsprint) have dropped 45% in dollar value. This is due primarily to the inability of the traditional markets to pay out dollars for paper products.

Exports of pulpwood are also down slightly from last year, about 9% in the first five months. At that rate total pulpwood going to United States for the full year would be about 1.8 million cords compared to the two million cords exported last year. Dollar value of pulpwood exports will likely be down from last year's $43.6 millions.

But while 1949 is proving to be less prosperous than previous postwar years over-all production it is estimated, should still reach or exceed the $800 million mark, including Newfoundland production. Commenting on the return to more normal market conditions Canadian Pulp and Paper Association president R. M. Fowler had this to say:

"I suggest it is absurd to regard the attainment of balance between supply and demand as something in the nature of a calamity. No industry can expect to operate permanently at, or above, its mechanical capacity. No industry can be fully efficient under such conditions. Where the whole emphasis is on production to meet unattainable totals of orders available, costs are likely to receive scant attention, quality may suffer, and the high arts of salesmanship and service tend to become rusty from disuse."

Currency Barriers

To some extent, however, salesmanship can have only a limited effect in the marketing of Canadian pulp and paper products. In United States which is pretty much a straight competitive market a strong sales effort can show results. In overseas markets, however, it is the artificial barrier of currency and import restrictions which is reducing sales.

Newsprint shipments to overseas markets are down more than 7% from last year. Sales to South America are down almost 50%; Orient down about 30% in the first six months. The reduction in exports of newsprint to these markets has had relatively small effect due to the ability of the United States market to absorb the extra tonnage made available in this manner.

In the case of woodpulp, however, reduction in overseas shipments has had a more serious effect, since it coincides with a current surplus of pulp in the North American market. Since April 1 last year until well on in 1949 Canadian pulp shipments to Europe have been shored-up by ECA funds. Now pulp producers in this country can no longer count on support from this quarter.

Even with ECA help Britain announced earlier this year that pulp and paper imports would be cut by one-third; although existing contracts would be honored. In addition the surplus of woodpulp in United States has resulted in pressure on ECA officials to suspend authorizations for offshore purchases of pulp.

Import restrictions and currency troubles are also responsible for the reduction in exports of fine and other type papers. Commonwealth countries have been the traditional markets for non-newsprint papers and these are in the sterling area.

While the bulk of pulp and paper exports now go to United States, Canadian producers would prefer to maintain at least a toehold in other markets. One reason is that many overseas countries have been long-time customers, particularly for newsprint, and manufacturers here would like to maintain these connections.

Equally important is that a single market for pulp and paper products makes the Canadian industry particularly vulnerable to the whims and fluctuations of the U. S. economy. Pulp and paper men have experienced the effects of the sometimes fickle economic U. S. weather in the past.

The newsprint shortage which existed over the past few years resulted in a strong move in United States for additional newsprint productive capacity to be built in that country and Alaska. One publisher-cooperative financed a 100,000-ton-a-year plant in the South and the Southland Paper Mills at Lufkin, Texas, has added new capacity.

A question is raised by some newsprint men whether the temporary shortage has not made some in United States look to high cost and possibly uneconomic new capacity as the solution. They point out that stability in the Canadian industry is good insurance for a continued high output.

The Canadian newsprint industry has consistently held that the soundest way to increase production is by getting the most out of existing capacity. They point out that in Canada output in 1948 was 150,000 tons higher than in 1947 and 457,000 tons more than in 1946. This increase was accomplished without building new high-cost mills.

'Feast-Famine' Days Over?

This question of uneconomic capacity has also been raised in connection with other countries. In the case of overseas countries the shortage of dollars has forced many of them to seek self-sufficiency in pulp and paper products. Many of Canada's newsprint customers are attempting to build their own newsprint industries. Some of these will be successful, others, it is said, could turn out to be costly failures.

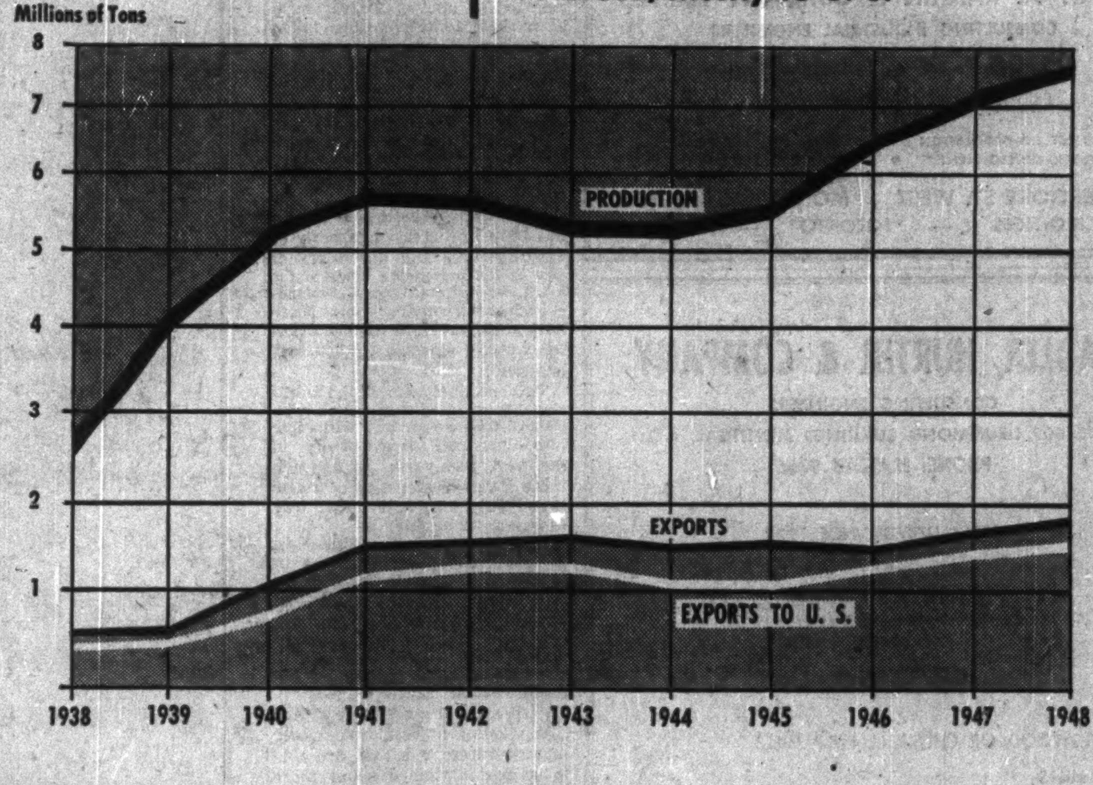
Generally the pulp and paper industry subscribes to a policy of stability and growth. Historically it has been an industry of the "feast and famine" type; now its leaders would like to put it on a good nourishing day-by-day diet. And Canadians, who have a huge investment in the industry, would concur.

It is estimated that there is more than a billion dollars invested in pulp and paper companies across Canada. In 1948 it provided 51,000 permanent jobs apart from woods

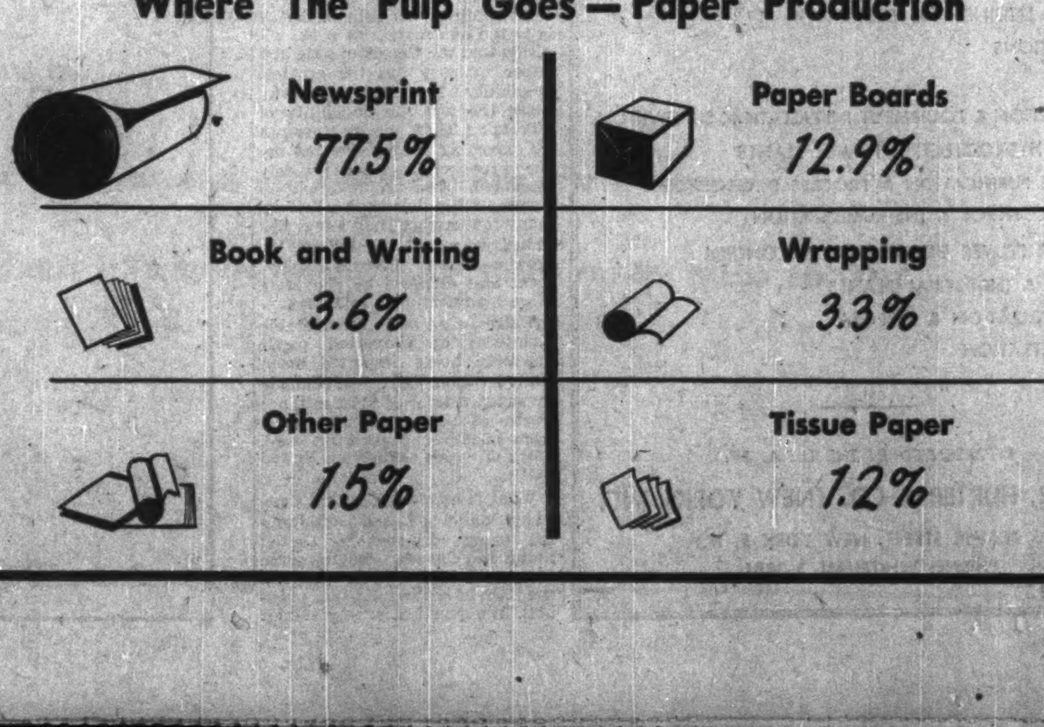
(Continued on page 26)

EXPORTS

23% of Production Sold Abroad, Mostly to U. S.



Where The Pulp Goes — Paper Production



How's Pulp and Paper Outlook?

(Continued from page 25)

workers. Salaries and wages paid to these persons rose to a total of approximately $146 millions, an increase of nearly $17 millions over 1947.

In addition, payments to woods workers last year totaled nearly $132 millions. Canadian governments received about $100 millions in taxes or about $12 to $15 millions more than in 1947. Pulp and paper, in addition, last year contributed almost $300 millions to other industries in purchases of goods and services. This could be broken down roughly as follows: transportation, $134 millions; chemicals, $58 millions; fuel, $36 millions; electric power, $27 millions; food and fodder, $28 millions.

Stability in pulp and paper is important for still another reason. The industry has always been a major earner of U. S. dollars for Canada, and since the war has led all other industries in this respect. Last year exports of pulp, paper and pulpwood were $671.8 millions which was about 21% of Canada's total exports. (This does not include Newfoundland exports of pulp and newsprint). Virtually all pulp and paper is sold for dollars in the export markets the greatest proportion going to United States.

In 1948 the value of pulp and paper exports to United States was more than $75 millions greater than in 1947. And exports to this country continue to run at about 40% of all Canadian exports sold for U. S. dollars.

The pulp and paper industry has however, only partial control over its own stability. With the major part of its production going south of the border it is directly affected by U. S. business conditions. The current market situation in woodpulp is one example.

During the last few years the U. S. paper industry has been increasing its production and Canada was able to sell about 1.5 million tons of its surplus pulp yearly to these customers. Paper and rayon mills in United States cut back output this year, thereby reducing the demand for pulp: Only a small part of Canada's surplus can be absorbed at home.

In the newsprint division manufacturers can and do take definite steps toward consolidating their position. One factor in favor of newsprint makers is that they have had a long-standing relationship with their customers. Also important is the fact that United States gets approximately 88% of its total newsprint supply from Canada.

For the past three years newsprint manufacturers and U. S. publishers have been getting together each fall to discuss their mutual problems. A similar meeting is being held this year in Quebec City in October.

In past years it has been the publishers who have had the biggest problem—insufficient supply.

This year it is likely that the manufacturers will be eyeing the rising newsprint inventories and wondering whether customers will ask for lower prices. So far no significant newsprint surplus has appeared but spot market prices have dropped sharply from their last year highs and are now down to the contract level of $100 a ton; some cases have been reported where small tonnages have sold below this level.

Unless the demand for newsprint drops off sharply in the last quarter it is expected that the present contract price will remain firm for the balance of the year.

While stability ranks high in the list of objectives of the industry it does not mean that the industry is yet full-grown. In the newsprint division there have been no new mills but existing capacity has been stepped up, as mentioned above. There have been some tentative steps taken towards establishing new mills—one in the Maritimes, the other in Alberta—but actual construction has not started. It is not known whether these plans will be followed through at the present time in view of the return to a more normal supply-demand condition.

In the woodpulp division growth has been in increased capacity of existing mills and a number of new mills. Increasing demand for kraft, or sulphate pulp, has resulted in the construction of three new mills having a total projected capacity of some 160,000 tons annually.

This production will be additional to existing capacity of some 800,000 tons a year and will come into operation progressively in the next two years. In addition there is the construction of a new rayon pulp mill now under way in British Columbia.

Canada's fine paper industry, including the paperboard manufacturers, is in some respects the strongest segment of the pulp and paper industry. It has been built primarily to serve the domestic market and it is not affected to nearly the same degree by external economic factors.

Also, since it serves a comparatively small market, fine paper manufacturers, it is said, are able to gauge market demand more accurately than is possible in export markets. These factors are reflected in the current fine paper market in Canada where prices have held firm so far in spite of a reduction in exports.

Many observers believe that it is in the non-newsprint paper division that the Canadian pulp and paper industry has the greatest possibility for future growth. Since the war the possibility of increasing U. S. dollar earnings by exporting more converted paper products has been widely discussed. And in addition to earning more dollars it is felt by many that a more fully integrated industry would contribute to greater stability, increase employment and earnings by providing more manufacturing industries.

There are still considerable quantities of converted paper products being imported from United States. Last year Canada imported a total of $17.2 millions worth of paper products apart from books or printed material, much of which came from United States.

What is happening is that Canadian pulpwood and woodpulp are being exported to United States and Canada is buying some of it back at a higher price in the form of converted paper products. The question is: why cannot the same pulp or pulpwood be made into paper in Canada and either sold on the domestic market or exported?

There are a number of reasons why it should. Here are a few:

(a) Basic raw materials like pulp are subject to considerable fluctuation in price. Manufactured products generally move within a narrower price range. Thus it is reasoned the better equipped the Canadian industry is to turn its raw material into manufactured products the less subject the industry is to the more violent economic swings.

(b) Equipment required for various types of paper converting is not elaborate, according to paper machinery manufacturers. Many converted papers can be made direct on the paper machine. Others can be made by simple secondary operations on inexpensive equipment.

(c) More paper converting industries in Canada would provide a bigger market for chemicals. It is claimed that at the present time a number of chemical materials are being compounded into simple mixtures in United States and imported because there is not the volume to support Canadian production even though the compounding process is relatively easy.

Against these arguments the fine paper manufacturer sets his reasons for not launching into the production of a wider range of products. One is that the Canadian market for many paper products is small, too small in some cases for manufacture to be practicable. Even under present conditions the Canadian producer is forced to make a wide range of paper products, but the volume on each is comparatively small.

If the U. S. market were opened to Canadian producers by a lowering of tariffs on fine papers manufacturers here could step up volume and decrease the range of products. To do this they say they first would want assurance that the lowered tariff would remain in effect permanently.

The solution to this problem would seem to lie in an expanding trade in pulp and paper products between the two countries, with Canada and U. S. making those products which can best be adapted to their respective resources.

A development such as this in North American pulp and paper trade is a long-range objective and before a start could be made tariff revision would be necessary. The more immediate problems requiring solution are those of international currency exchange and multilateral trade.

While Canadian capacity to produce pulp and paper is constantly expanding, markets are closing in. And real demand for such products in the world is not nearly satisfied.

Increasing literacy in Asia and Africa, and a raising of living standards in those countries would normally provide greater outlets for Canadian newsprint, pulp and other papers. The artificial currency barrier has made this demand ineffective. And until these problems are ironed out it is likely that the pulp and paper industry will have to depend still more on United States as an outlet for its production.

World Newsprint Output

World newsprint production in 1948 came close to reaching an all-time high. Estimated output was 8.4 million tons, which was about 10% above 1947 and 19% higher than in 1946. This production was just slightly more than 5% below the prewar high in 1937.

Canadian production of approximately five million tons (including Newfoundland) accounted for approximately 60% of the total. Canada in addition accounted for 163,000 tons of the 791,000-ton increase in 1948 over 1947.

In newsprint consumption, United States led the rest of the world by a wide margin in 1948. Out of total production of 8.4 million tons United States took 5.2 million tons or 62%—slightly more than the total Canadian production.

European production of newsprint rose sharply in 1948, showing an increase of approximately 500,000 tons, including Russia. Even without the latter, the increase in Europe amounted to 350,000 tons. France, Finland and Netherlands showed the biggest gains.

Newsprint exports in 1948 totalled 5.4 million tons and were 232,000 tons more than the previous year. These shipments from Canada, Finland, Sweden and Norway accounted for approximately 97% of the world's total newsprint exports.

(Short Tons)

Country	1948	1947
Canada	4,601,000	4,447,000
United States	868,000	826,000
Newfoundland	382,000	373,000
Finland	358,000	297,000
United Kingdom	334,000	288,000
Sweden	327,000	302,000
France	279,000	203,000
Norway	160,000	124,000
Germany	†114,000	†72,000
Japan	112,000	99,000
Netherlands	81,000	39,000
Austria	68,000	42,000
Italy	61,000	(?)37,000
Poland	49,000	35,000
Belgium	48,000	50,000
Switzerland	47,000	41,000
Czechoslovakia	42,000	39,000
Australia	35,000	36,000
Brazil	28,000	18,000
Spain	23,000	16,000
Hungary	(?)10,000	10,000
Chile	7,000	6,000
Turkey	6,000	(?)
Portugal	3,000	3,000
Argentina	1,000	(?)
Korea	1,000	(?)
Russia	(a)400,000	(a)250,000
TOTAL	8,444,000	7,653,000

†Exclusive of Soviet zone. ?Figures doubtful.
(a)—Estimates for Russia include Soviet Zone in Germany, Estonia, Latvia and Lithuania.

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How Business Trend Has Affected Paper Stocks

Lower Profits Seen For '49, But Company Positions Strong

By JAMES H. JOYCE

Both sales and earnings of Canada's pulp and paper companies for 1949 will probably be below the records set in 1948.

The drop in net profit, based on six months' results of the companies reporting, may be from 25% to 50%, except for straight newsprint operations and will depend on the extent to which each company is in the newsprint field.

The industry has now come to the end of the period when consumers scrambled for products. Except for newsprint, it is confronted with a return to the competitive conditions of a buyers' market.

Prices for all types of pulp and, in the United States, for practically all types of paper and paperboard, except newsprint, have been cut. This, plus reduced demand for paper, has adversely affected industry profits during the first six months of this year. The drop in demand has been so sharp as to result in the shutdown of certain operations of some mills.

Only for makers of newsprint has both the price and demand held firm. Even here the drop in black market prices to the contract price plus the increase in consumer's supplies indicates a balance may be approaching between supply and demand.

Increased newspaper circulation (up over 30% in the United States since 1939) as population and literacy increases, together with expanded newspaper advertising, augurs well for long-term demand growth prospects in the newsprint field. Newspaper advertising linage in 52 U. S. cities was 4.1% higher in the first six months of 1949 than in the corresponding 1948 period.

Trouble in Pulp Fields

It is in the pulp fields that companies have been experiencing difficulties. Sales have been at a lower rate than in 1948 and prices of some products have been substantially reduced since the first of the year. This makes it evident that North American consumers of some products are able to buy their full requirements without difficulty. It has also resulted in the shutting down of certain operations, particularly production of sulphite and of rayon and dissolving pulps.

Within the past few weeks, however, producers report some slight signs of prices firming and demand picking up which may help improve results for the second half of 1949. Outside of the newsprint field, however, many feel that it is unlikely that earnings for the second half of 1949 will be maintained at the same level as for the first half.

Production of newsprint by Canadian companies, however, has been increased by plant modernization and extensions, speeding up of machines, etc. For the first seven months of 1949 newsprint production of Canadian mills is 5.7% higher than for the same 1948 period and this rate of increase is expected to hold for the balance of the year. Further, the contract price for newsprint, $100 a ton basis New York, has held firm and is generally expected to remain at that level at least for the balance of this year.

But a change from a condition of all-out capacity production and demand in excess of supply to a more normal condition of competition in one of Canada's biggest industries is a change that investors have been expecting ever since 1946. This has been reflected in the price of this extremely volatile group of stocks.

How Stocks Have Behaved

Pulp and paper securities, as measured by the Dominion Bureau of Statistics indices, are 19.1% below their 1946 high prices while stocks generally are down only 14.5%. The marked change in the past year in the situation facing these companies has been even more strikingly reflected by the price action of their securities. The DBS index of pulp and paper securities' prices is about 13.9% below its level of a year ago—more than 2½ times the percentage drop of 5.1% in the DBS index of all securities in the same period.

At current prices, pulp and paper securities are selling at what is generally regarded as low price earnings ratios. Many are selling at from three to seven times prospective 1949 earnings (based on twice first half results, an assumption which is not thoroughly valid). For example, Abitibi Paper common is 3.0 times these earnings; Bathurst Power & Paper Class A is 5.6 times; Consolidated Paper 3.9 times; Donnacona Paper 5.2 times; Donohue Bros. 4.7 times; Great Lakes Paper 4.4 times and Powell River Co. 7.3 times.

Profits of the pulp and paper companies so far this year, with two exceptions, are lower than for last year on the basis of the announced results of companies issuing interim statements. The combined total net profit for the 10 companies shown in the accompanying table is 44% of their net profit for the entire year 1947.

The one exception is Powell River Co. In this case newsprint constitutes the major part of total sales with sales of other products being only a small percentage of the total. In its case increased newsprint sales for the first six months of 1949 has been more than sufficient to offset the drop in sales of its unbleached sulphite pulp. The other exception is St. Lawrence Paper Mills, and it is again due to increased sales of newsprint.

Most companies do not expect profits in the second half of this year to hold up as well as in the first half. It seems reasonable to expect that net profit of the industry as a whole for the full year 1949 will run around 25% to 50% lower than in 1948. The actual percentage reduction in net profit will depend to a great extent on the proportion that each company's sales of products other than newsprint bear to total sales with the smallest drops being shown by those companies whose newsprint sales represent the highest proportion of total sales.

Profits Have Been Rising

The net profit of pulp and paper companies has been rising steadily from 1943 till this year, according to the financial statistics for 23 companies from 1937 to 1947 published in the December, 1948, Statistical Summary of the Bank of Canada. Net income available for stockholders of $54.8 millions is nearly 8.2 times the 1937 figure of $6.7 millions and over 4½ times the 1943 net of $12.1 millions. For 1948 the pulp and paper companies' net profit was nearly 33% higher than in 1947 according to a preliminary study of the Bank of Canada based on 18 companies ($62.1 millions vs. $46.8 millions). Even if the 1948 net income for stockholders were cut in half in 1949, it would still be higher than in any of the last 13 years except 1947 and 1948.

The pulp and paper companies are in a much stronger financial position than ever before to weather any storms. The Bank of Canada's study indicates that the working capital of the 23 companies at the end of 1947 was nearly 2.4 times as large as in 1939 after a substantial investment ($98 millions) in plant, property and equipment in the last three years. It was 3.1 times as large as in 1937 ($160.6 millions in 1947, $67.9 millions in 1939 and $51.3 millions in 1937. Working capital positions were further strengthened from earnings in 1948.

Further, the 23 companies reduced their debt outstanding by 41.5% between 1937 and 1947 ($239.9 millions in 1937 against $140.4 millions in 1947). A further reduction would be shown in 1948. Preferred stocks outstanding have also been reduced 18.6% between 1937 and 1947 (from $88.3 millions to $71.9 millions). This, together with refundings at lower rates, has reduced the companies' fixed interest requirements by over 41% in the 11-year period.

Prosperity of the Canadian pulp and paper industry is closely tied to the business trend in the United States which is the principal market for its products. For example, out of the 4,967,044 tons of newsprint shipped by Canadian mills in 1948, 4,127,970 tons or 83.1% went to the United States while 84.4% of shipments for the first seven months of this year have gone to the United States.

Although the present indication is that the U. S. market is still willing to take all the newsprint Canadian mills can produce, there are signs that a balance is nearing between supply and demand. Newsprint spot market prices are now back down to the contract price of $100 a ton U. S. and U. S. consumers' stocks were equivalent to 49 days' supply at the end of July compared with 37 days' supply a year before.

Paper Use in U. S.

Analysts also point to the past history of paper consumption in the United States. While the U. S. per capita paper consumption has shown an upward trend through booms and depressions (indicative of a growth situation), it has also taken some bad bumps. In 1928 U. S. per capita paper consumption was about 228 lb.; five years later it was down to a little more than 150 lb. Again in 1937-38 it dropped from about 250 lb. to about 210 lb. By 1948 it had grown to an annual rate of 358 lb. per capita.

But Canada's dependence on the United States for a market for the great bulk of its pulp and paper products has also a favorable angle. The United States is the hard currency country. If, as a result of the current financial talks in Washington or at some other time, Canada were forced to put her currency at a discount with the U. S. dollar, it would be the same as a price increase on the products sold to the United States (unless, of course, U. S. consumers were able to obtain a comparable drop in the U. S. price for the products, which is not beyond the realm of possibility). Thus newsprint securities give investors a hedge against the possibility of the Canadian dollar being devalued at some time in the future.

Over a longer term there is the possibility of an increase in competition for the U. S. market from the Scandinavian countries. U. S. imports of newsprint from Europe, while still a small part of total U. S. supply, show a rising trend, being 267,434 tons in 1948 against 128,936 tons in 1947 and an estimated 167,726 tons for the first seven months of 1949 against 146,580 tons for the comparable 1948 period.

Probably the strongest points of all for the pulp and paper securities are their much stronger financial positions and the fact that they are valuing current earnings on such a conservative basis. Even if earnings are cut in half, most securities would still be selling on a reasonable times-earning ratio. Whether these factors will mean a more stable market action for pulp and paper securities remains to be seen.

Six Month Results For Ten Companies

Company	Total net profit for all 1948 $	Net profit 1st 6 mo. 1949 $	% of full year 1948	Change from 1st 6 mo. 1948 %	Class of Stock	Earned per Share All 1948 $	Earned per Share 1st 6 mos. 1949 $	Earned per Share Twice 6 mos.† $	Recent price per share $	Recent Price Times all 1948	Recent Price Times Prospective 1949
Abitibi P. & P. ...	9,413,086	4,083,407	43.4	?	Com.	5.79	2.40	4.80	14½	2.5	3.0
Bathurst P. & P. ..	1,685,486	873,703	51.8	— 3.0	Class A	3.26‡	1.68‡	3.36‡	19	5.8	5.6
Consolidated Paper	11,737,833	5,353,739	45.6	—15.4	Com.	4.58	2.09	4.18	16¼	3.5	3.9
Donnacona Paper..	1,245,174	582,187	46.8	—12.5	Com.	3.01	1.40	2.80	14½	4.8	5.2
Donohue Bros.	534,066	253,638	47.5	—13.9	Com.	3.56	1.69	3.38	15¾	4.4	4.7
Great Lakes Paper.	1,983,800	741,917	37.4	—29.7	Com.	4.06	1.24	2.48	11	2.7	4.4
Powell River Co. ..	6,857,297	3,538,527	51.6	+ 4.1	Com.	5.10	2.63	5.26	38½	7.5	7.3
St. Lawrence Paper	2,973,745	1,173,829	39.5	+23.3	1st pf.	23.81	9.42	18.84	72	..	...
L. St. John P. & P.	2,016,931	552,270	27.4	—46.5	Com.	19.09	4.98	9.96	..	..	..
Brompton P. & P...	1,547,120	397,525	25.7	—55.8	Com.	5.16	1.32	2.64	..	..	..

†This result will not necessarily follow.
‡After participation.

Pulp and Paper Securities' Trends

Extent of market fluctuations in pulp and paper securities is indicated by the following table:

	Sept. 1 1949 $	1948 $ H.	1948 $ L.	1947 $ H.	1947 $ L.	1946 $ H.	1946 $ L.	1943 $ H.	1943 $ L.	1939 $ H.	1939 $ L.	High 1937 $
Abitibi com.	14½	19¾	12½	21⅝	14¼	22¾	14	..	..	..	..	..
Bathurst A	19	22½	17	22¾	19	24¾	18	14½	10⅜	15½	4¾	24
Consol. Pap. c.	16¼	21¾	14¾	21⅝	14½	23¼	15½	3⅜	1½	9⅛	2⅝	24½
Donnacona	14½	23¾	17	27	14¾	24	15	5	2	10⅞	2	19½
Fraser	20½*	62½	42½	58½	42	75	43	13	7	22	5	50
Howard Smith	30¼	53⅜	23½	32	23	33	26	14	8	22¼	8½	34½
Powell River	38½	47¼	37	44¾	33⅝	36¾	28	..	..	..	..	..
Price Bros.	51¾	68	54½	70	50⅝	73½	45	11	6	24	6½	48½
Minn. & Ont.	13⅞	23	20	24¾	15⅝	27¼	16	..	..	..	..	..

*New stock after two-for-one split.

OSC Options

The following details on new financing deals has been released by the Ontario Securities Commission.

ALGONKIAN URANIUM MINES under date of July 20, 1949, completed a new financing agreement with K. B. Dixon & Co. under which latter agrees to purchase 100,000 shares at 5 cents a share payable upon acceptance for filing by OSC; option also granted on 100,000 shares at 5 cents, exercisable within 90 days. Accepted for filing Aug. 22, 1949. Total of $2,000 cash received for 40,000 shares under previous deal with Norman P. Nordin.

CITATION OILS can sell shares in Ontario on basis of 75% of proceeds going to company's treasury. Security issuer's registration granted Aug. 25, 1949, permitting Frederick W. Lee and Mrs. Clara Pribble to sell. Authorized capital of the company is three million shares of which 1,000,005 are issued (including 900,000 in escrow).

GREAT LAKES COPPER MINES proposes to offer to public 250,000 shares at $1.00 a share on basis of 75% of proceeds going to treasury. A total of $9,048 of advances already made to the company by shareholders who have right to accept stock at $1 in repayment; any shares thus taken up to be part of above offering. Authorized capital is three million shares of which 1,676,058 issued (1,359,400 in escrow). Accepted for filing Aug. 23, 1949.

GROMPO RED LAKE MINES has granted an option on 500,000 shares to Goldwin Exploration Co., being 200,000 shares at $1.00 a share, 200,000 shares at $1.50 a share, and 100,000 shares at $2.00 a share. Authorized capital of the company is three million shares of which 1,300,005 are issued (900,000 in escrow). Accepted for filing Aug. 19, 1949.

LEPINE LAKE GOLD MINES has granted Zenith Securities an extension of time on its option, first installment of 100,000 shares at 10 cents now being due Feb. 1, 1950. Filed Aug. 25, 1949.

BRITISH GUIANA DIAMOND MINING CORP. can sell shares to public with 75% of proceeds going to treasury. Clement Krakowsky is entitled to purchase of $25,000 of stock at lowest prices at which company may issue shares to brokers or public. Authorized capital of the company is five million shares of which 1,646,673 are issued (1,500,000 in escrow). Accepted for filing Aug. 29, 1949.

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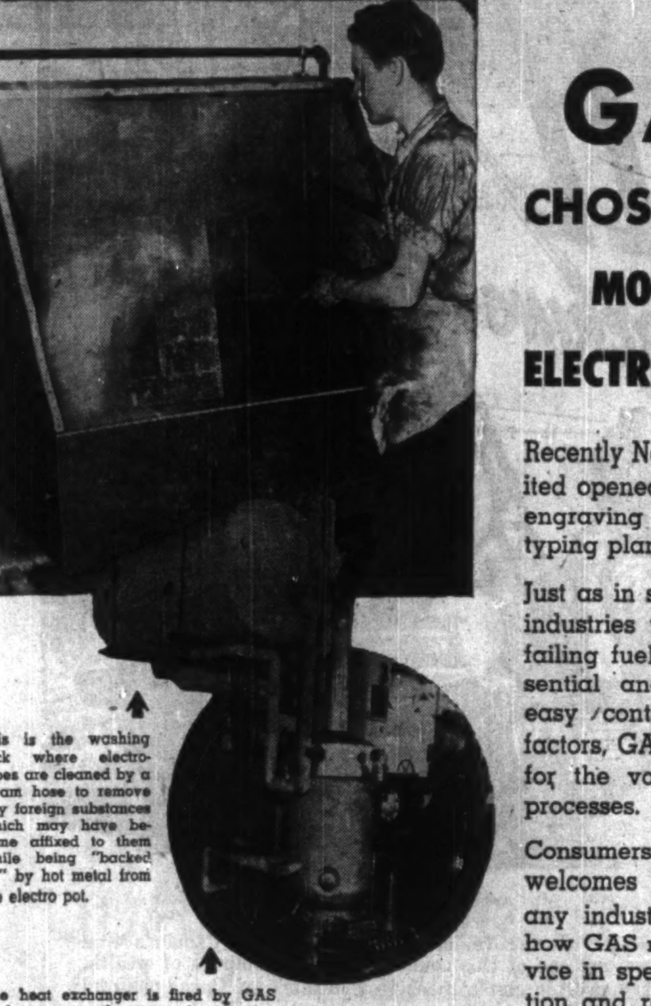

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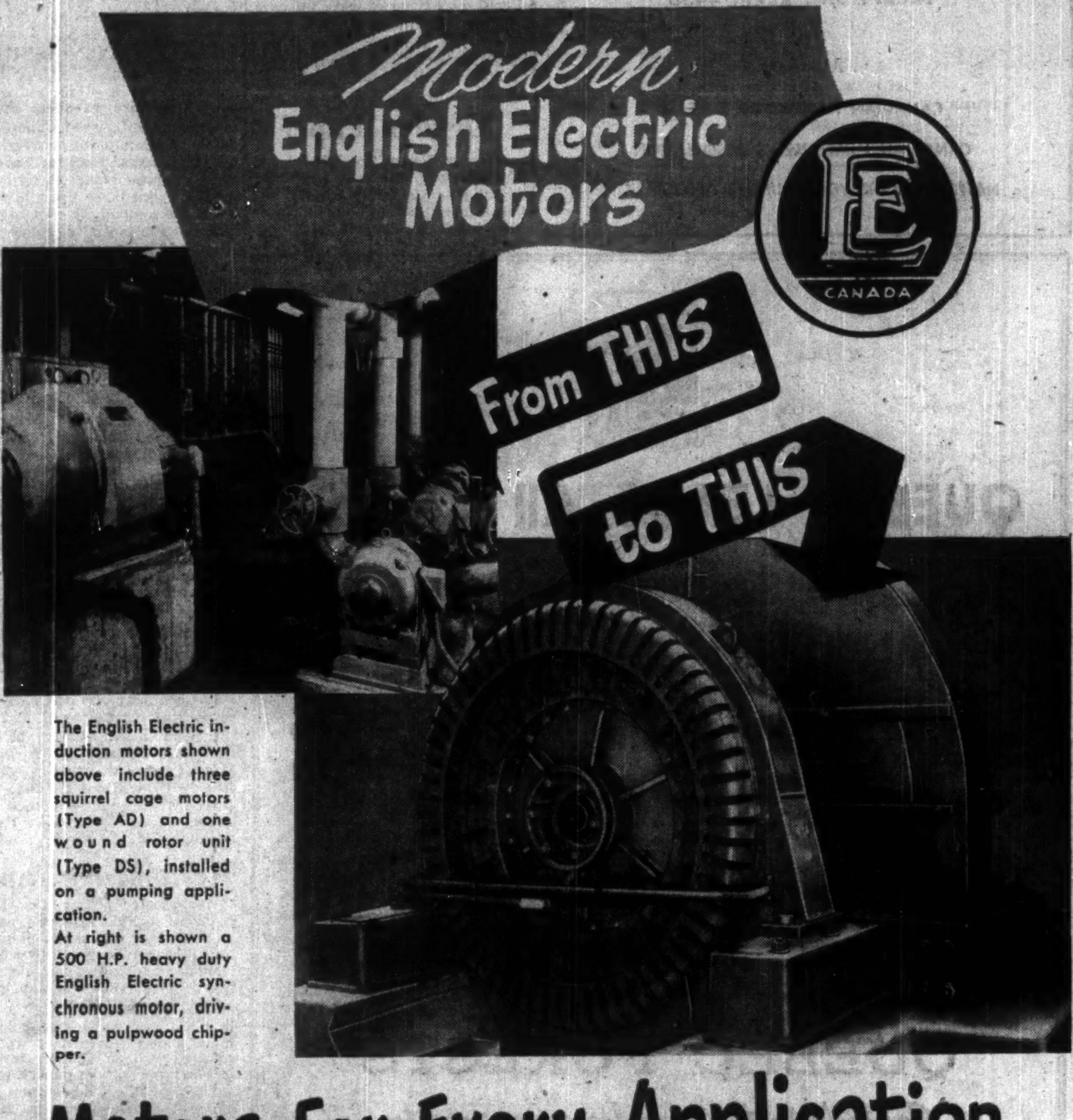

The English Electric induction motors shown above include three squirrel cage motors (Type AD) and one wound rotor unit (Type DS), installed on a pumping application.
At right is shown a 500 H.P. heavy duty English Electric synchronous motor, driving a pulpwood chipper.

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Demand Is Strong for Specialty Papers

Order Backlogs Reduced in Most Products—Labor Costs Up

Demand continues strong for most manufacturing concerns in the specialty papers group, including tissue paper, paper serviettes, wallpaper, toilet tissue, cleansing tissue, wax papers, etc. Although there was some evidence of a more cautious note in forward buying this spring, demand has since picked up and is near record levels at the moment.

Many firms are finding that any slight savings in raw material costs are being more than wiped out by still rising labor costs. This is tending to maintain selling prices near top levels. All raw materials are now in ample supply and order backlogs have been pretty well reduced in most products.

An important innovation in the wallpaper industry for Canada this year is the recent marketing of a water-fast wallpaper. This paper may be washed off with soap and water without any adverse effects. Although travelers are just-out now taking orders for the new paper, early indications point to a strong demand.

Can. Wallpaper

Canadian Wallpaper Manufacturers, Ltd., together with its subsidiaries, manufactures and sells wallpaper, being the largest producer in its field in Canada. All grades of wallpaper are manufactured, and three of the company's well known lines are "Maximur," "Sunworthy" and "Semi-Trimmed." A portion of the company's output is exported.

Trading operations in the year ended Apr. 30, 1949, were again very difficult and costs rose steadily during the year, President Arnold Ashton stated in the annual report. As evidenced during the last few months of the fiscal year customers were reducing inventories in anticipation of the introduction of the company's new line of wallpapers. This new line of Sunworthy wallpapers developed after considerable research, will be introduced this fall and is expected to result in more general use of the company's products in public buildings, offices, etc., as well as the home.

Consolidated net profit for the year ended Apr. 30, 1949, amounted to $90,591 ($245,687) equivalent to 70c on the combined class A and B shares, compared with $1.90 per share in the preceding year.

Operations of the company and its three principal subsidiaries, the Reg. N. Boxer Co., Stauntons Ltd., and the Watson Foster Co., were consolidated, effective May 2, 1949. The businesses are now being carried on as divisions of the company, each continuing to produce its own distinctive products. More efficient operations are expected as a result of this change.

Consolidated working capital amounted to $1,433,412 at Apr. 30, 1949, compared with $1,749,804 at the end of the previous year. Cash increased to $426,778 from $250,246 and inventories totaled $1,149,018 against $1,231,009 in 1948.

Plants of the company's subsidiaries are located in New Toronto, Leaside and Montreal. The Leaside plant, erected in 1947, at a cost of about $400,000, received extensive additions, begun in 1947 and completed during the last fiscal year.

Dom. Containers

Dominion Containers Ltd. is a holding company controlling companies engaged in the manufacture of cardboard boxes as follows: Standard Paper Box Ltd., King Paper Box Co. Ltd., Empire Box Co. Ltd., National Paper Box Ltd., Acme Paper Box Co. Ltd., British American Paper Box Co. Ltd.

Outstanding funded debt consists of $410,000 3½-4½% first mortgage serial bonds. Capital stock amounts to 2,525 shares 7% redeemable, cumulative, first preferred $100 par, 10,660 shares Class "A" 6% noncumulative, participating, $10 par, and 14,000 shares Class "B," no par value.

Sales during 1947 reached unprecedented figures and were maintained in 1948 on the basis of dollar value, although there was some decrease in total volume of production compensated for by sales price increases. Net profit declined as a result of higher material and labor costs to $83,001 compared with $129,376 in 1947. Per share earnings were $32.87 on the preferred and, after participation, were $3.63 on the Class A and $1.81 on the Class B ($51.24, $6.20 and $3.10 in 1947).

Working capital at Dec. 31, 1948 totaled $251,643, down from $422,700 reported at the end of 1947. Inventories were valued at $418,417 compared with $392,948. Gross fixed assets were reported at $1,730,296 at Dec. 31, 1948. The company also had a bank loan of $150,000 outstanding. The Quebec plant was sold during the year for the sum of $358,143.

Dividends of 15¼% were paid on the preferred stock during 1948 leaving arrears of $24 per share on this stock.

Dom. Cellulose

Dominion Cellulose Ltd., Toronto, and its associated company, National Cellulose of Canada Ltd., manufactures face-cleansing tissues under the brand names "Face-Elle" and "Gibson's" and other miscellaneous sanitary paper products.

Dom. Envelope

Dominion Envelope Co. Ltd. advises that its wholly owned subsidiary, Canadian Wrappers Ltd., is once more going to produce the various products it manufactured prior to the war along with a number of new items. During the war it was necessary to temporarily close down Canadian Wrappers Ltd. in order to transfer necessary equipment to Champion Paper Mills Ltd., an associate company of Dominion Envelope, which was producing, to protect goods going overseas, a War Wrap which had been previously imported from the U. S.

Subsequent to the war Champion Paper Mills Ltd. transferred this equipment back to Canadian Wrappers Ltd. which, along with additional equipment purchased, will enable the company to manufacture all types of waxed papers, printed and plain, laminated papers; foil products, printed and plain; and coatings; together with numerous new items for the Canadian trade.

Dryden Paper

Dryden Paper Co. Ltd. manufactures sulphate pulp and kraft, manila and building papers, and an interest is also held in Woods Dryden Paper Bags, Ltd., Winnipeg, formed in March, 1948. The company's market for paper products is chiefly in Western Canada. Surplus pulp is sold largely in the United States.

The pulp and paper mill at Dryden, Ont., has a daily capacity of approximately 130 tons sulphate and 80 tons of paper. The company's policy has been to manufacture only the amount of pulp required for conversion into finished products in its own mills together with such pulp material as would permit the mills to operate at their most economical point. Improvement program completed in July, 1945, resulted in substantial savings in manufacturing costs.

Expenditures on construction during the fiscal year ended Sept. 30, 1948, totaled $965,000. A new paper machine was brought into production in Jan., 1948, and was producing about 60 tons of paper per day. Increased sales requirements made it advisable to increase the capacity of this machine. The wood preparing mill has been completely replaced. Expenditures for improvement during the current year are expected to be about $300,000.

Outstanding capital stock was increased by 32,000 common shares in 1948, bringing issued shares up to 182,000 no par value common shares. Outstanding funded debt consists of $1,425,000 4% first mortgage sinking fund bonds due June 1, 1961.

Net profit for the year ended Sept. 30, 1948, amounted to $682,548, up 72.3% from $396,213 in the previous year. Per share earnings amounted to $3.75 ($2.64). Dividend rate was increased to $1.20 per share per annum with payment of 30c a share on Feb. 1, 1949.

Working capital increased to $1,757,882 from $1,290,246 and inventories were higher at $1,867,175 against $1,460,480.

The company owns in fee simple hydro-electric power capable of developing 7,000 h.p. of which 5,500 h.p. is in operation. A power line 62 miles in length was installed to connect the company's mills with the Ontario Hydro in 1948 and the penstock leading to No. 1 power plant was renewed at a cost of $100,000.

Timber limits of 1,100 sq. miles, held under 20-year renewable leases from the Ontario Government, are estimated to contain about 2 million cords of pulpwood, or 50 years supply at present rate of consumption.

Interlake Tissue

Interlake Tissue Mills Co. manufactures a wide range of paper specialty products at its Merritton, Ont., plant. These include paper napkins, towels and allied products. Plant and equipment improvement carried on over the past three years has enabled the company to step up production substantially above the former 10,000-tons-a-year level.

Interlake is a private company and does not make public details of its financial resources. Capitalization consists of $625,000 in shares of $100 par.

Perkins Tissue

Perkins Tissue Mills Ltd. manufactures at its plant at Montreal a diversified line of paper products including printed and plain wax papers, paper napkins, crepe papers, gift-wrapping papers, shelf papers, serviettes, table covers and box-cover papers. Products are distributed throughout Canada by large paper distributors and large chain and department stores.

Also manufactured is a comprehensive line of printed Cellophane, foil, candy wrappers, fish wrappers, confectionery papers and wax papers.

The company was originally incorporated in 1930 by B. F. Perkins and J. L. Perkins of the American Tissue Mills, Holyoke, Mass. Control was sold in 1935 to George C. Watson, Holyoke. In July, 1947, the common stock was purchased by Perkins Paper Products Ltd.

Westminster Paper

Westminster Paper Co. Ltd., produces a wide range of paper specialty products at its plant in New Westminster, B.C. Products include wrapping papers, decorative papers, plain and printed papers, watermarked papers (all in plain and variegated colors), toilet papers, serviettes (plain, printed and embossed), towels, fruit wrappers, wax papers, printed papers of all description and many other special papers. Business is also carried on in the United States through an associated company, the Pacific Coast Paper Mills, Inc., in the state of Washington.

An expansion program which doubled plant capacity was completed in 1948. The company completed its own groundwood mill and installed bleaching equipment. The unit is making about 30% of the company's raw materials from waste wood readily available in the vicinity. Substantial quantities of the company's pulp requirements that had to be purchased are now being obtained from new sources at a considerable saving in cost, President E. M. Herb stated in the annual report.

Sales and production set new records in the year ended Jan. 31, 1949, with net sales amounting to $4,518,693 as compared with $3,949,254 in the previous year. As a result of increased cost of raw materials and labor, net profit was up only slightly at $268,266 ($268,185) equal to $2.68 on the class A and 73c on the class B stock, based on the new capitalization of 100,000 class A and 300,000 class B shares outstanding.

Working capital amounted to $545,207 at Jan. 31, 1949, compared with $494,879 at Jan. 31, 1948.

Capital changes in 1948 resulted in conversion of the 100,000 shares, $10 par value, previously outstanding into 100,000 class A shares and 300,000 class B shares, no par value. One class A and three class B shares were issued in exchange for each old common share. In addition the company has outstanding $800,000 2½%-3¼% first mortgage bonds.

Domestic demand for products continued very good during the year, even though the demand for paper generally declined, it was stated in the annual report. The bulk of the company's manufacture is absorbed in the domestic market so the present world shortage of dollars in the export field is not of major consequence to the company's operations.

J. C. Wilson

J. C. Wilson, Ltd., established in 1870, manufactures wrapping paper and paper bags, tissue and toilet papers, folding boxes, shipping tags, butter wrappers and envelopes, and, in addition, distributes paper and paper products of other manufacturers.

Company operates paper-making and bag-making plants at Lachute, Que., using approximately 6,700 tons of groundwood, sulphite and sulphate pulp annually which is supplied to the extent of 1,200 tons by the company's own groundwood mill near St. Jerome, Que. Located at Montreal is head office, a box-making and printing plant, warehouses and facilities for distribution of products of the company and those of other manufacturers. Branch offices are maintained at Winnipeg and Vancouver.

Ratcliff Paper Co. Ltd., an old-established business engaged in the distribution of paper and products in the Toronto area, was acquired in 1947.

During 1947 approximately $200,000 was spent on improvements to fixed assets and the program of modernization and expansion at the Lachute mill was continued in 1948, with further investment of approximately $527,000 provided from sale of marketable securities and from depreciation reserves. Immediate plans for modernizing production facilities have been completed.

Sales for 1948 were at the highest level in the history of the company amounting to $5,266,000 on a consolidated basis compared with $3,931,000 for the parent company alone in 1947. Net profit was up slightly at $162,299 ($158,662) equal to 98c per share compared with 96c in 1947.

Working capital was somewhat lower at $845,195 at Dec. 31, 1948, against $1,108,056 at the end of 1947. Inventories were higher at $761,273 compared with $540,684.

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WOODPULP PRODUCTION IN 1947 3,715,842 tons
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DEPARTMENT OF LANDS & FORESTS
JOHN S. BOURQUE, MINISTER
AVILA BÉDARD, DEPUTY MINISTER
(Published by the Provincial Publicity Bureau)

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Fall Prospects Good for Fine Papers

Early Summer Drop in U. S. Not Reflected in Canada

Demand for fine papers has been holding up much better than had been anticipated even by paper officials. The drop in demand that developed early this summer in the U. S. has not been reflected to any marked extent in this country yet.

Prospects for fall business look good despite an extended lithographers' strike which is affecting a number of companies in Toronto, Montreal, Hamilton, Ottawa and London. Customers, however, are more choosey now and spread their purchases out over a wider variety of paper goods. For fine paper companies this means reduction in the long, more profitable factory runs on one grade of paper.

There is little indication of a near-term reduction in prices, fine paper experts say. There is hardly a single cost factor which has come down sufficiently to justify any important price reductions to customers, they claim. Labor is still seeking, and getting, more concessions chiefly in the form of new social benefits. Recent drop in wood pulp prices—$5 a ton on bleached sulphite and $7 on unbleached—will not affect most firms since they make their own pulp in an integrated mill operation. Paper manufacturers who depend largely on market pulp will benefit mostly from the decline in pulp prices. This would mean only one or two companies.

Latest DBS production figures show combined fine papers tonnage of 210,762 tons in 1947 as compared with 189,318 in 1946. It is anticipated that 1949 production and earnings will be off moderately from 1948 which was a peak earnings and production year.

Alliance Paper

Alliance Paper Mills Ltd., a subsidiary of Howard Smith Paper Mills Ltd., operates two paper mills, one at Merritton and the other at Georgetown, Ont. Through its subsidiary, Don Valley Paper Co., a specialty mill is operated at Toronto with annual capacity of 5,400 tons specialty papers. Another subsidiary, Lincoln Pulp & Paper Co., holds by Crown lease approximately 281 sq. miles of timberland adjacent to the Little Cascapedia River, Que.

The company is engaged in the manufacture of bleached and unbleached sulphite pulp and various paper products. The Merritton mills manufacture card and folder stock, board, heavy wrapping papers, covers, specialties, poster and blanking stock, waxing paper and cellucine manifold, carbonizing and onion skin, greaseproof and glassine and sulphite specialties. A sulphite mill producing bleached and unbleached sulphite and a bag mill, are also operated at Merritton. The Georgetown plant produces coated stock such as book, litho, label, tag stock, board, flour sack paper and other specialties.

Total annual capacity of the plants is:

Two paper mills with two Fourdrinier machines of 10,000 tons capacity and one cylinder machine of 4,000 tons. Sulphite pulp mill of 30,000 air dry tons, coating plant 7,500 tons and bag mill, 9 million flour sacks.

During 1948 automatic indirect cooking equipment was added to the sulphite mill. The No. 1 paper machine was improved with an electric sectional drive while there was an extension on the dryers of the cylinder machine of the Lincoln mill. At Lybster a hot melt coater and laminator was installed for coated and laminated glassines and food wrapping papers. The dryers were extended on the Don Valley machine and a new water filter installed.

Individual financial statements are not submitted since the company's assets and liabilities are consolidated with those of the parent company, Howard Smith Paper Mills, Ltd. Howard Smith owns about 99% of the outstanding preferred shares and almost all outstanding common shares. Consolidated production and sales, however, of Howard Smith Paper Mills reached a new high in 1948.

Canada Paper

Canada Paper Co. is a wholly owned subsidiary of Howard Smith Paper Mills, manufacturing kraft, wrapping and bagging, rotogravure, envelope papers, box cover papers, paper bags and a range of converted products including creped and crinkled papers, towels, waterproof building and wrapping papers and many other specialties. A newsprint mill was formerly operated but has been switched to other grades since Howard Smith assumed control.

The company owns 35,000 acres of freehold timberland and two plants at Windsor Mills, P.Q. One plant on the St. Francis River in Quebec includes a sulphate mill, a two-machine paper mill and a converting plant. The St. Francis mill, about one-half mile up the river from Windsor Mills, has two paper machines and an electrically driven groundwood mill.

The expansion and improvement program undertaken in 1947 at Windsor Mills to increase plant capacity has made good progress. The extension to the kraft pulp mill including three new digesters, a new recovery furnace, a new wood room and bark room with additional evaporators, washers and screens was expected to be completed early in 1949, materially increasing production of both bleached and unbleached kraft pulp. Other projects include a Harland Drive on No. 5 paper machine, a Ross ventilating system for the same machine, the construction of a new engineering office, and a large addition to the bag factory.

Annual plant capacities are as follows: 50,000 tons kraft, wrapping, book and specialty papers; 56,000 tons kraft pulp; 10,100 tons groundwood pulp; and 350,000,000 paper bags.

Canada Paper Co.'s subsidiaries are: Schofield Paper Co., operating two wholesale warehouses in Saint John and one in Halifax dealing in high grade papers, wrapping twine, newsprint, ruled forms, bags, etc.; Canada Paper "Wholesale" Ltd. operating in Toronto and Montreal, and merchandising chiefly bond and writing paper; Kilgour's Ltd., operating wholesale warehouses in Montreal, Toronto, Hamilton, London, Ottawa, Winnipeg and Saskatoon, selling bags, wrapping paper, twine and paper boxes.

The assets and liabilities of Canada Paper Co. have been consolidated with those of the parent company, Howard Smith Paper Mills Ltd., since 1943. A consolidated balance sheet of Canada Paper at Dec. 31, 1943 disclosed total assets of $9,720,979 and working capital of $1,759,914. In recent years the company has earned its annual preferred dividend requirements with a wide margin.

E. B. Eddy Co.

The E. B. Eddy Co., a wholly owned subsidiary of Eddy Paper Co., manufactures and distributes a wide range of pulp and paper products, including specialty and hanging papers, tissue products, paper bags, newsprint and paperboard.

Over 80% of newsprint produced is sold in the United States under long-term contract and about 10% of the specialty papers and boards are sold to the overseas market. Distribution of the remainder of the products is handled through the company's sales organization in Eastern Canada and through agents in Western Canada.

Plants on the Ottawa River at Ottawa, Ont., and Hull, Que., have combined rated annual capacity of 150,000 tons finished products. The Ottawa plant, which the company leased from J. R. Booth Ltd., as of Jan. 1, 1945, was purchased as of April 30, 1946. Capital expenditures in 1948 totaled $2,445,461, in 1947 $1,344,658 and in 1946 $686,374. Main project in 1948 was completion of sulphite mill expansion in Hull, Que., which will eliminate dependence on outside sources for bleached sulphite pulp as well as improve product quality and lower cost. An estimated cost of approximately $300,000 will complete capital jobs in progress at the end of 1948. Expenditures in 1949 are expected to be substantially lower.

In 1948 production totaled 135,000 tons of paper and paperboard. In 1947 output totaled 46,297 tons specialty paper, 43,146 tons newsprint, 26,144 tons board, 10,017 tons of toilet tissue, serviettes and towelling and 7,057 tons of hanging paper. Distribution not given for 1948 is presumed to be substantially the same as in 1947. For manufacturing finished products, the company can produce at capacity 56,000 tons of groundwood pulp, 60,000 tons of unbleached sulphite pulp and 28,000 tons bleached sulphite annually.

Converting plants have annual capacity of 500,000 cases of toilet tissue, serviettes and towels combined and 150 million grocery bags.

The company owns three hydroelectric plants on the Ottawa River at Chaudiere Falls, one on the Hull side, two on the Ottawa side. These provide about 60% of the company's power, Gatineau Power supplying the balance.

Timber limits, leases and licenses are held on over 5,800 sq. miles of which about 4,000 were acquired from J. R. Booth Ltd. These provide an estimated potential yield of 150,000 cords per annum. Timber reserves are conserved through purchase of about 50,000 cords annually. Present annual consumption is approximately 180,000 cords. Most timber resources are located in the Gatineau and Ottawa River watersheds permitting the use of those rivers for driving the logs to the mills.

Consolidated net earnings of the parent company, Eddy Paper Co., in 1948 amounted to $2,802,418, against $2,230,232 in 1947. Consolidated net profits increased to $703,410 from $564,757. During the first eight months of 1948 all production units operated at capacity but in the last four months production was reduced and demand eased for certain grades of specialty papers in the domestic market and exports declined as a result of dollar shortages in importing countries, the annual report stated. Capacity operations are being maintained in the converted products, paper board and newsprint divisions.

Purchase was recently announced of a controlling interest in Sydney Roofing & Paper Co. of Victoria, B.C., which manufactures paper board, roofing and other building materials and operates a wholly owned subsidiary, National Paper Box Co. in Vancouver. It also acts as the distributor for various insulation materials, wallboards, floor tile, siding, etc., in Western Canada.

Eddy Paper

Eddy Paper Co. is an investment and holding company with one subsidiary, the E. B. Eddy Co. The subsidiary owns and operates plants on the Ottawa River at Ottawa and Hull, with a combined rated capacity of 115,000 tons per annum of finished products.

Consolidated operating profits of the company and its subsidiary totaled $2,906,389 in 1948 compared with $2,307,320 in 1947. Consolidated net profits amounted to $703,410 ($564,757 in 1947) equal to $3.52 per share Class A stock and $2.52 on the common (2.82 and $1.82). Regular quarterly dividends of 25c per share were paid on the A stock since 1946 but no dividends have been declared on the common stock to date.

Working capital increased to $6,192,254 at Dec. 31, 1948, from $4,528,408 at the end of 1947. Capital expenditures in 1948 amounted to $2,445,461. Inventories were valued at $11,196,555 against $9,560,312. Inventory reserve was increased to $708,472 from $584,514 in the previous year.

Present outstanding capitalization consists of 200,000 shares Class A stock, $1 cumulative, convertible, noncallable, $20 par, and 200,000 shares common stock, no par value. All of the common stock is owned by J. R. Booth Ltd. At Dec. 31, 1948, the company's subsidiary had outstanding $3,795,000 3½% first mortgage sinking fund bonds.

Fraser Cos.

Fraser Cos., through subsidiaries manufacture and sell bond and other specialty papers and bleached sulphite paper and dissolving pulp.

Production and earnings in

(Continued on page 33)

Forest Consumption

Following is table of average annual depletion in our forests for the period 1935-1945:

Average Annual Depletion 1935-1945

		000's of cu. ft.	%	%
Logs and bolts		930,338	28.2	38.1
Pulpwood for domestic use		566,212	17.2	23.2
Pulpwood for export		138,883	4.2	5.7
Firewood		717,104	21.7	29.4
Ties, poles, pit-props, posts, rails		59,927	1.8	2.4
Miscellaneous		30,761	1.0	1.2
		2,443,225		100.0
Fire	353,547			
Insects and disease	500,000	853,547	25.9	
		3,296,772	100.0	

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Appleford Paper Products Limited
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Harvey Paper Company
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Houston, Texas.

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Many pulp and paper mills are installing Horton elevated steel tanks like the one shown at the left to supply gravity water pressure for fire protection and general service. Tanks used in this manner have dual piping which allows a certain amount of water to be used for general service and holds in reserve a quantity of water sufficient to supply the automatic sprinkler system in the buildings.

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5. To produce acetylene black

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Newsprint Continues As Top Earner U.S. Funds

Drop in Other World Markets Offset by Higher U. S. Buying

The great postwar newsprint famine is over but the Canadian industry continues to pile up new records.

Production in the first seven months of 1949 is up 5.7% over last year; shipments are 5.5% higher and dollar value of exports are up 10% to 12% from 1948.

Canada (including Newfoundland) last year had a total newsprint production of about 5 million tons — an all-time high. This will be surpassed in 1949 with an estimated production of about 5.2 million tons on the basis of production so far.

This volume has enabled the newsprint industry to maintain its position as the top earner of U. S. dollars in Canada. Last year newsprint exports had a dollar value of $385 millions (not including Newfoundland). This year with the price of $100 a ton — $2 higher than in 1948 — together with increased production and Newfoundland's tonnage, dollar earnings will likely exceed the $425 millions mark.

Operating Over Capacity

Since 1947 newsprint mills have been operating in excess of their rated capacity. In 1947 production was 101.9% of rated capacity and 102% in 1948. This year with a rated capacity of 5.1 million tons for 308 working days the industry is operating at 102%.

Probably the best yardstick of productivity in the industry is the number of tons produced per working day. On this basis production in 1949 is running 6.9% higher than last year with 16,939 tons manufactured in each working day during the first seven months.

Shipments to domestic and foreign customers are keeping pace with production. In the first seven months of this year Canadian mills shipped approximately 3 million tons, an increase of 5.5% over 1948. Of this 84.4% has gone to U. S., 9% to other overseas markets and 6.6% to Canadian customers.

Since the end of World War II Canada has been selling an increasing percentage of its tonnage to the U.S. In 1945, for example, only 75% of Canadian shipments went to U.S. and 19.3% to other overseas countries. The following year U.S. got 79% and others took 15%. In 1947 the percentage going south of the border jumped to 80% and last year it was 83%. At the same time overseas customers took 14% in 1947 and only 10.7% in 1948.

Dollars A Problem

This progressive reduction has been due almost entirely to the world-wide dollar problem. Practically all countries would take all the newsprint Canada could deliver if they had the necessary dollars to pay it.

Latin America is a large consumer of Canadian newsprint. In 1948 exports to that area totalled 164,000 tons which was 4.1% of all shipments. This year exports to this market are only running about 3.3%.

Exports to Europe in 1948 amounted to 77,000 tons of which 90% went to U.K., smaller amounts to Greece, Portugal and Spain. While 1949 shipments to U.K. have been running about on a par with last year the current financial and trade difficulties facing U.K. at the present time may result in reductions of Canadian newsprint going to that country.

South Africa last year took 37,000 tons of the 39,000 tons shipped to the African continent. Exports this year are above last year which, to a small extent, offsets losses in other overseas markets. The nearly 54,000 tons of newsprint exported in 1948 from Canada to all Asiatic countries was about 5,000 tons less than went there in 1947. Exports to this area in 1949 will likely be below last year. Exports to Australia in 1948 amounting to 44,000 tons were only slightly more than one quarter the tonnage shipped in 1947, and shipments to this market in 1949 are not likely to exceed the 1948 total.

World Markets Closing

Inability to purchase Canadian newsprint has prompted many of this country's overseas customers to attempt to set up their own newsprint industries. Australia, New Zealand, Argentine, Brazil, India and others have all taken preliminary steps at least to investigate the possibility of producing some part of their newsprint requirements at home. United Kingdom which has an important newsprint manufacturing industry of its own looks to countries within the sterling area to supply the industry with woodpulp or finished newsprint.

Closing of world markets to Canadian newsprint has made this country progressively more dependent on U.S. market. Fortunately for the Canadian industry, U.S. consumers have been able to absorb all that Canada has been able to ship. One of the most startling developments in the whole newsprint field since the war has been the enormous U.S. appetite for newsprint.

From 1945 to 1948 U.S. consumption jumped by 1.6 million tons a year. Last year consumption was 5.1 million tons and is likely to total 5.4 million tons in 1949. Of the total U.S. supply, Canada supplied 79% last year compared with 66% in 1934 and 64% in 1939. United States mills supplied 16% of the total compared with 30% in 1934 and 27% in 1939. Europe in 1948 supplied 5% of the U.S. total supply which was approximately the same as prewar. It is likely that there will be little or no variation in sources of supply in 1949 compared with last year.

Firms Watch Inventories

But while U.S. newsprint consumption continues to increase newsprint manufacturers are watching inventory positions closely. In July of this year total North American newsprint stocks were 904,826 tons, the highest since 1945. Newsprint consumers had 719,429 tons on hand which represented 49 days' supply. This compares with 37 days' supply in 1948, 34 days in 1947 and 33 days in 1946. The balance of inventories was at Canadian and U.S. mills.

Thus while U.S. consumption moves upward, Canadian, U.S. and European production has moved faster permitting the building of inventories. This raises the question: how much longer will U.S. publishers continue to build inventories?

Newsprint Capacity, Output

Here's table of Canada's newsprint capacity and production:

In 000's of Short Tons of 2,000 Pounds

Year	Rated Annual Capacity	Actual Production	Operating Percentage	Actual (a) Production	Value (a) 000's dollars
1925	1,715	1,522	88.8	1,537	$106,269
1926	1,931	1,882	97.5	1,889	121,065
1927	2,475	2,087	84.3	2,083	132,287
1928	2,993	2,381	79.6	2,414	144,147
1929	3,225	2,729	84.6	2,725	150,800
1930	3,600	2,504	69.6	2,498	136,182
1931	3,825	2,221	58.1	2,227	111,420
1932	3,840	1,914	49.9	1,919	85,540
1933	3,847	2,012	52.3	2,022	66,960
1934	3,861	2,597	67.3	2,605	86,811
1935	3,914	2,751	70.3	2,765	88,436
1936	3,869	3,209	82.9	3,225	105,215
1937	3,383	3,648	93.9	3,674	126,424
1938	4,204	2,625	62.4	2,669	107,051
1939	4,293	2,869	66.8	2,927	120,859
1940	4,368	3,419	78.3	3,504	158,447
1941	4,341	3,426	78.9	3,520	158,925
1942	4,400	3,177	72.2	3,257	147,074
1943	4,315	2,983	69.1	3,046	152,963
1944	4,359	2,992	68.6	3,040	165,655
1945	4,301	3,259	75.8	3,324	189,024
1946	4,279	4,143	96.8	4,162	280,810
1947	4,350	4,447	102.2	4,474	355,541
1948	4,478	4,601	102.4	—not available—	
1949*	5,113	†5,189	†101.1	—not available—	

*Including Newfoundland.

†Estimated on basis of 7 months production of 3,027,025 tons.

(a) Dominion Bureau of Statistics figures which include relatively small quantities of hanging paper, poster paper, and side runs for pulping.

Source: Newsprint Association of Canada.

The question of storage facilities enters into this to some extent but more important is advertising lineage. If publishers see advertising revenues maintained or increasing over the balance of the year it is likely they will not be greatly worried by their increasing newsprint stocks.

So far advertising in U.S. newspapers has exceeded last year. In the first six months of 1949 linage was up 4.1% over 1948, and the Canadian industry is watching these figures closely. Providing advertising holds up they see a potential cushion of 200,000 tons of paper. It could take up some of the slack caused by steadily increasing production and mounting inventories in the hands of publishers.

In 1946 total U.S. consumption was about 4.3 million tons; newspaper advertising ran to 1.7 million lines in 52 U.S. cities.

In the next two years, however, consumption rose by only 25% while lineage went up 30%. The increase in newsprint space devoted to advertising was greater than the increase in the consumption of newsprint. In many U.S. newspapers the ratio of advertising copy to editorial matter today is close to 60:40 compared to prewar when it was almost the reverse or 40:60.

Competition Returning

Newsprint manufacturers see some hope that the increase in newsprint consumption will overtake—perhaps surpass—the gain in advertising linage. This could happen, if publishers decided to increase the amount of editorial content, thus use more paper.

Publishers say that they could use more newsprint if it cost less. But competition is likely to decide the issue for both newsprint manufacturers and publishers.

On a tonnage basis, this so-called "cushion" can be worked out like this. In 1946 total consumption was 4.3 million tons. If consumption increased proportionately with advertising linage, i.e. 30% instead of 25%, it would mean annual consumption of about 5.6 million tons. This is about 200,000 tons more than the current 1949 consumption rate. And the basis for this estimated "new" market is at present level of advertising linage or even a moderate increase. A return to the prewar advertising-editorial ratio would mean much more.

It is a question, however, whether or not publishers under current conditions of high-cost production can afford to step up the proportion of editorial content in their papers.

There is, however, an important factor in the U.S. newspaper business which holds promise of better things to come for Canada's newsprint industry. That is the Sunday newspapers. Sunday papers want a better quality newsprint and are paying from $10 to $25 a ton premium for it. Many publishers are using high-grade newsprint in their rotogravure sections. Basically this paper is the same as the dailies use but it gets a better finish, contains a little more clay, has more body.

Known in the trade as super-standard newsprint there are several types. Each mill has its own little manufacturing trick to meet the requirements of its customers.

While most of Canada's largest mills now make some of the superstandard grade, the total output still does not represent a large percentage of total Canadian production. But newsprint men say demand for the higher grade seems to be increasing.

Sunday Papers Gain

Sunday and week-end papers are becoming increasingly important newsprint consumers; are increasingly important in the whole newsprint market. From 1945 to 1948 U.S. Sunday papers have increased their circulation by 16% while dailies rose only about 8%.

The increase in the number of pages printed has been about the same for both dailies and week-end papers. Sunday papers last year increased their advertising linage 12.42% which was more than either morning and evening dailies.

So far, most of the demand for the premium grade newsprint has come from the Sunday papers, but papermakers think the dailies will soon be demanding more of the better grade.

Since the war, daily papers have been in no position to demand much; have been thankful to get any kind of newsprint. Now, however, publishers are breathing a little easier and feel they can now look for quality as well as quantity.

Competition and high costs are also forcing publishers to look to

(Continued on page 32)

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See Record Volume For Paper Boxes

This year Canada's 150 paper-box companies will turn out a record dollar volume of goods, estimated at around $37 millions (folding and setup boxes only)—up some 15% from last year. Unit volume which has climbed steadily every year since the war will likely just show a slight gain over 1948.

All paper-box companies are now back on a more normal operating basis with backlogs of orders whittled down to one or two months' operations. Market requirements, however, are still running at least 25% ahead of prewar. All raw materials are now in free supply but so far no important cost reductions have been forthcoming from this source. On the other hand increased labor costs both in paperboard production—chief raw material—and paper box manufacture continues to put an increased squeeze on profit margins.

Folding boxes continue to make further inroads on the setup box. They take up less space on manufacturers' shelves and very often are lower priced. According to latest DBS figures, paperboard production in 1947 for manufacture of paper boxes amounted to 744,377 tons — up 8.9% from previous year.

Corr. Paper Box

Corrugated Paper Box Co. manufactures corrugated and solid fibre shipping containers and folding cartons, distributes throughout Canada by its own sales force. Plant at Leaside, Ont., has a floor space of 112,000 sq. ft. Adjacent property was purchased in 1947 and a new raw material warehouse completed in 1948 added 10,500 sq. ft., permitting more economical handling of material and making it possible to carry a more diversified range of sizes which, in turn, will cut down offcut waste and tend to a more profitable operation, President J. A. Whealy stated in the annual report.

Net profit of $276,725 in 1948 compared with $231,636 in 1947. Per share earnings amounted to $61.49 on the preferred and $5.41 on the common ($51.47 and $4.45 in 1947). Higher dividend rate of $1.50 per share per annum was established on the common stock with quarterly payment of 37½c on March 1, 1949. Previous rate had been $1 per share.

Working capital at Dec. 31, 1948, amounted to $1,085,451 an increase from $972,196 at the end of 1947. Inventories were higher at $502,515 against $438,577.

In early 1949, volume of business was reported to be running slightly ahead of the corresponding period of 1948 and backlog of orders was good.

Gair Co. (Canada)

Gair Co. (Canada) Ltd. manufactures and sells various types of corrugated and fibre shipping containers and folding paperboard cartons, also manufactures for its own use various types of paperboard. In addition, the company and its subsidiaries manufacture and sell a number of products including counter display cartons, cracker caddies, paper specialties, gummed tape and mechanical pulp.

Paperboard mills are located at Toronto and Montreal, pulp mills at Frankford and Campbellford, Ont., folding carton plant at Toronto, and shipping container plants at Toronto, London, Hamilton and Windsor. A subsidiary, Dominion Envelope & Carton (Western) Ltd., operates folding carton plants at Winnipeg, Man., and Edmonton, Alta., and the Adelman Paper Box Co. Ltd. operates a folding carton plant at Winnipeg.

All of the outstanding common stock (120,000 shares, $10 par) is held by the parent company, Robert Gair Co. Inc., New York, and outstanding in the hands of the public are 13,500 shares 4% cumulative preferred stock, $100 par.

During 1948 plants operated at or near capacity and net sales to customers totaled $15,103,211, up about 11% ($13,470,171 in 1947). Net profit was up 21% at $1,250,372, equal to $92.62 per share preferred, and $8.74 on the common ($68.83 and $8.23 in 1947). Production of paperboard amounted to 74,918 tons and total sales to the trade of all products were 101,276 tons.

Working capital at Dec. 31, 1948, amounted to $3,299,344 compared with $2,973,635 at the end of 1947. Inventories were valued at $1,897,315 against $1,784,737. Expenditures for maintenance and repairs amounted to $842,709, and for capital additions to $440,371, a total of $1,283,080.

President George W. Brown stated at the annual meeting in March that present backlog of orders indicated a continuance of capacity operations for the immediate future.

Hendershot

Hendershot Paper Products makes a variety of paper products including containers and corrugated paper products in its Hamilton plant. The company acquired the assets of G. W. Hendershot Corrugated Paper Co. in 1946. Sales are largely through contract with large department stores and distributors in Eastern Canada.

The steady rise in material and operating costs in 1948 was reflected in reduced earnings from operations. Net profit of $22,108 was 52.2% below 1947's $46,192. Per share earnings were equal to $8.84 on the preferred and 33c on the common ($18.48 and $1.11 in 1947).

Working capital declined to $103,267 at Dec. 31, 1948 from $117,675 at the end of 1947. Inventories were higher at $139,325 as against $107,841. The company had a bank loan of $30,000 outstanding at the end of 1948. Fixed assets increased to $225,015 from $196,240 at the end of 1947. Since incorporation in March, 1946, new buildings, machinery and equipment have cost $95,980.

Supplies and raw materials improved generally during 1948, but shortages continued to prevent the company from achieving maximum output. Dollar volume of sales was well maintained as a result of higher selling prices and further benefits are expected from this source during 1949.

Hinde & Dauch

Hinde & Dauch Paper Co. of Canada operates plants at Toronto, Trenton and Montreal for the manufacture of jute liners, wrapper and header stock, and a large variety of paper board, as well as corrugated and solid fibre board boxes, etc. Sales offices are maintained across Canada.

Capital additions in 1948 totaled $1,100,808 including completion of a new box factory at Chatham, Ont. which commenced manufacture of shipping boxes in Jan., 1949. A further $200,000 cash was set aside at Dec. 31, 1948, for capital expenditures in 1949.

New production records were achieved in 1948 with output totaling 97,254 tons at the company's paper mills and 55,388 tons at the box factories, surpassing the previous record of 95,935 tons and 47,811 tons respectively in 1947. Net sales totaled $11,800,589 compared with $10,189,655 in 1947.

Higher selling prices were not sufficient to offset the increase in labor, material and transportation costs, and net profit was down 14.5% at $799,792 equal to $2.67 per share ($3.12 in 1947).

Working capital at Dec. 31, 1948 (not including special funds set aside for capital expenditures) increased to $3,287,774 from $2,073,291 at the end of previous fiscal year. Inventories increased to $1,906,410 ($1,113,083).

Dollar volume in the first six months of this year was reported to be up 2% from 1948 despite drop of 5% in tonnage of the paper mills and decline of 4% in output of the box factories. Current operations are reported to be at capacity and third quarter earnings are expected to be ahead of the first two quarters which fell below those of 1948.

Maritime Paper

Maritime Paper Products Ltd., incorporated in Nova Scotia in 1948, is a holding company with one wholly owned subsidiary, Industrial Containers Ltd., which is engaged in corrugating and fabricating cartons and other corrugated products for industrial use. The name of the subsidiary was changed from Maritime Paper Products Ltd. in January, 1948, and all the capital stock was acquired by the parent company.

Latest available figures showed net profit of $28,897 for the year ended June 30, 1947, $20,047 for the 1945-46 year and $11,720 for the 1944-45 year. Total assets of $324,244 were reported including current assets of $105,696. Current liabilities were $40,674.

Capital stock consists of 8,750 shares 5% cumulative preferred, $20 par, and 15,000 shares common, no par value.

The plant located in Halifax has an operating capacity of approximately 5,000 tons a year on the basis of a one shift day. Production of finished products during the year ended June 30, 1947, amounted to 5,877 tons.

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Mills at: Thorold, Ontario and Baie Comeau, Quebec

•

Forest Operations at Heron Bay and Manitoulin Island, Ontario, and Baie Comeau, Franquelin and Shelter Bay, Quebec

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CANADIAN LUMBERMEN'S ASSOCIATION
27 GOULBOURN AVE., OTTAWA, ONTARIO

Newsprint Output Sets New Records

(Continued from page 32)

their newsprint requirements. Colored pages for sales appeal in special editions are coming back. Competition for the advertising dollar is causing some to look for news grades which give better reproduction.

Abitibi Power & Paper Co. is now producing a super-calendered newsprint. Consolidated Paper Corp., Price Bros., St. Lawrence Paper Mills and others all have various grades of super standard news grade paper.

What is "Standard Newsprint?"

About the only thing to stand in the way of high-grade newsprint for U.S. publishers is the U.S. Treasury Department ruling on what constitutes "standard newsprint." Standard newsprint is the only grade of Canadian paper which can enter U.S. duty free.

The history of so-called "standard newsprint" is long, rocky and strewn with many test cases. Originally U.S. authorities said that newsprint was any kind of paper that publishers wished to use. Then the definitions started creeping in, until U.S. Treasury rulings pinned standard newsprint down to exact weight, width of rolls, percentage of groundwood and sulphite pulp, type of finish, ash content, color and degree of sizing.

In recent years, publishers appear to have reversed the trend to some extent; have gradually been able to get officials to give a broader definition. Back in 1930 the ruling was that newsprint should not contain more than 2% ash (residue after burning). Now this has been changed to not more than 6½% ash, which permits a greater clay content. Clay in newsprint gives it more body, permits a better finish.

According to Treasury specifications, newsprint finish is tested by an Ingersoll glarimeter which measures the gloss. Few manufacturers have this equipment and it is said to be far from accurate.

What actually happens is that newsprint manufacturers make their own laboratory tests. Technically, however, U.S. customs men are still within the ruling if they drag out the Ingersoll glarimeter to test the gloss of newsprint going through, and if it measured more than 50% it could be turned back.

U.S. publishers are strong advocates of higher grade newsprint and the increase in the circulation of the Sunday papers has strengthened the demand for a broader interpretation of newsprint paper. Canadian newsprint manufacturers are ready to deliver whatever production the customer wants. Only customs duties can keep it out.

Better grade newsprint from Canadian mills at premium prices could help to offset any future decline in demand. Such a decline is not yet in sight although spot market prices for this commodity have tumbled from their last year highs to the present contact price of $100 a ton. Some tonnage is said to have sold below this figure. And some believe it is possible that newsprint production may have to be curtailed if an unmarketable surplus is not to develop. It is claimed that some high cost U.S. mills and European imports may be the first to feel the effect of any drop in demand for newsprint in United States.

If the newsprint supply-demand situation could be dealt with on a world basis the question of North-American demand would not loom so large. With literacy increasing in many parts of the world and European and Asiatic countries gradually adopting western technology and with it western advertising techniques the potential demand for newsprint in the world is far above present capacity.

Unfortunately, however, present economic conditions have made the newsprint supply situation an American rather than an international problem; and one therefore which must be solved on a regional basis. From the Canadian standpoint this means that newsprint manufacturers must look to the future in terms of the market in its region, i.e. United States.

Anglo-Canadian

Anglo-Canadian Pulp & Paper Mills operates a four-machine newsprint mill and a five-digester sulphite mill in Quebec City. Rated daily newsprint capacity is approximately 690 tons. Sulphite in excess of news requirements is dried on the 94-in Kamyr Machine equipped with Flakt drier. This machine turns out approximately 90 to 100 A.D. tons of unbleached sulphite daily.

Many alterations and improvements have been or are being made to improve both sulphite and newsprint quality.

Share control is held by interests associated with the London Daily Mirror. There is no direct public interest.

Most of the output is sold in the United States, the balance going to the United Kingdom, Mexico and South America.

The company holds approximately 3,148 square miles of timber limits with woods operations being conducted from Forestville, approximately 180 miles from the mill. Wood from Forestville is transported to the mill in two converted LST's.

Financial statements and operating figures are not submitted for publication. It is the understanding that operations have been more profitable since the war, as a result of improvements in plant and increase in output. Authorized stock: 1,500,000 no par value common shares, of which 1,050,000 shares are outstanding.

Abitibi

Abitibi Power & Paper Co. and its subsidiaries manufacture newsprint, sulphite pulp, fine papers, boards, etc., with 19 newsprint machines in operation in the Abitibi mills. Marked progress in rebuilding the company has been made since the reorganization in 1946 with major improvements to all properties.

Properties include six newsprint mills at Iroquois Falls, Fort William, Sault Ste. Marie, Port Arthur in Ontario; Beaupré, Que., and Pine Falls, Man. A bleached sulphite mill is located at Smooth Rock Falls, Ont., and a corrugating board mill at Sturgeon Falls, Ont., The Sault Ste. Marie mill also produces unbleached sulphite pulp and the Iroquois Falls mill also manufactures wrapper paper.

Provincial Paper Ltd. and subsidiaries operate mills for the production of fine paper at Mille Roches, Port Arthur and Thorold, Ont.

Mill capacities at March 1, 1949, were as follows:

Newsprint Mills	Tons Daily	Tons Anu'l
Iroquois Falls	700	216,300
Sault Ste. Marie	314	97,026
Port Arthur	195	60,255
Fort William	315	96,809
Pine Falls	338	104,442
Beaupré	359	110,883
Sulphite	**Daily**	**Anu'l**
Sm. Rock Falls, Bleached	210	65,000
Sault Ste. Marie, unbleached	100	30,000
Corrugating Board		
Sturgeon Falls	105	32,500
Wrapper		
Iroquois Falls	50	15,500x
Fine Paper Mills*		
Mille Roches Port Arthur Thorold	205.5	63,500

xLargely for inter-company use.

*Owned by Provincial Paper, Ltd.

Capital expenditures in 1947 amounted to $7,200,000; in 1948 expenditures were approximately $7,500,000.

Projects completed in 1948 included: Major changes in both paper machines at Ste. Anne; major repairs to power generating station at Smooth Rock Falls and to the Island Falls power plant and railway; a new grinder room at Thunder Bay mill which went into operation in January, 1948; complete rearrangement of the Pine Falls mill, new equipment added.

Plans for 1949 include: Construction of a new grinder room and screen room at Iroquois Falls with completion expected in the second half of 1950; complete renovation of screen rooms at Smooth Rock Falls; major repairs at the Island Falls dam at an estimated cost of $350,000; major repairs to the dam at Sturgeon Falls and a new plant to manufacture sodium sulphite; repairs to wood repairing rooms at Sault Ste. Marie plant; modernization of paper machines at Thunder Bay plant; installation of supercalender for the manufacture of a superior grade of newsprint at the Fort William plant; a new hospital at Smooth Rock Falls.

Timber holdings cover about 27,000 square miles in Ontario, Quebec and Manitoba and are estimated to contain approximately 40 million cords of merchantable pulpwood largely held under crown agreement or licenses. In addition, the company makes substantial annual purchases of pulpwood.

New production and sales records were achieved in 1948 with a total of 680,049 tons of newsprint, 66,987 tons of bleached, and 39,742 tons of unbleached sulphite and 36,161 tons of board manufactured during the year, for sales of $75,075,814 after freight charges ($64,340,010 in 1947).

Net earnings for 1948 were the highest in the company's history at $25,542,584 ($25,092,146). Consolidated net profit after special

(Continued on page 34)

Forest products contribute in an everwidening circle to Canada's economy. Transportation of pulpwood, newsprint, wood pulp and other finished products is a small industry in itself. This fast motor vessel of Guy Tombs Ltd., Montreal, is one of a fleet of seven which takes newsprint in 230-ton cargoes from Gatineau, Trois Rivières and Donnacona to New York via the Richelieu River, Chambly Canal, Lake Champlain and the Hudson River, bringing back cargoes on Canadian consignment.

How Industry Has Grown

Following table shows growth of the pulp and paper industry over the last 80 years:

	Paper and Paper Mills	Total Employees	Total Production
1871	21	760	$ 1,071,651
1881	41	1,588	2,509,993
1891	58	2,817	3,633,257
1901	53	6,236	8,627,557
1911	72	9,766	23,226,479
1921	100	24,619	151,003,165
1931	103	26,669	174,733,954
1941	106	37,154	334,726,175
1945	109	39,996	398,804,515
1946	113	44,967	527,814,916
1947	115	49,946	706,971,628
1948 (est.)	118	51,000	800,000,000

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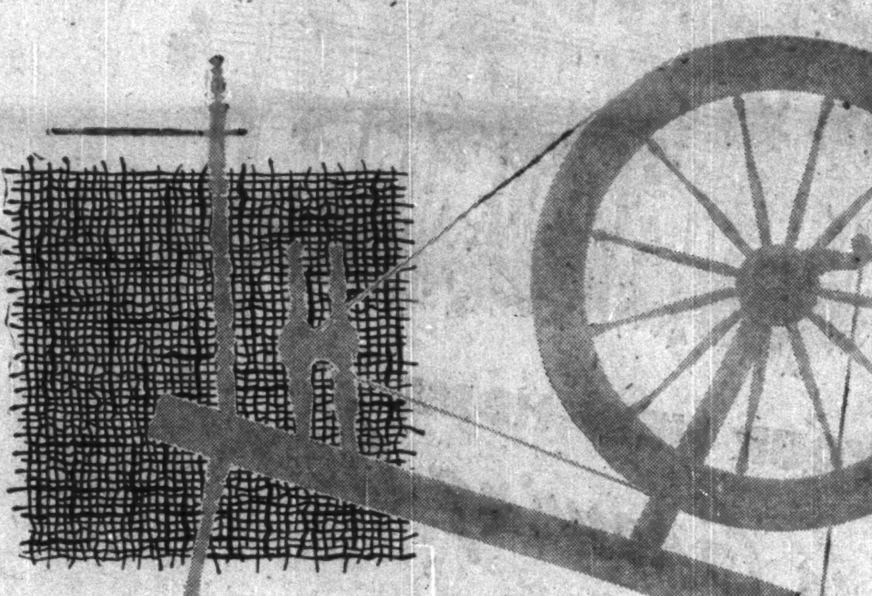

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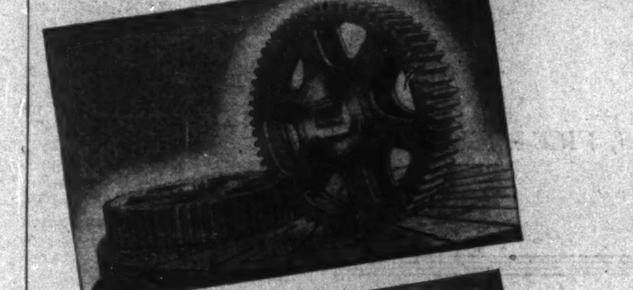

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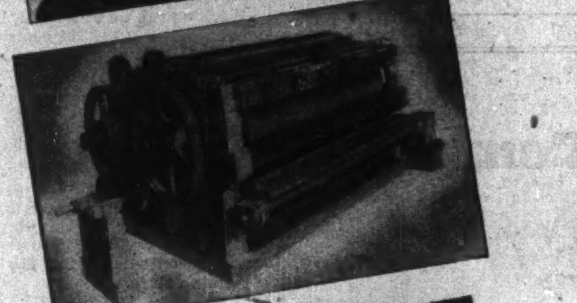

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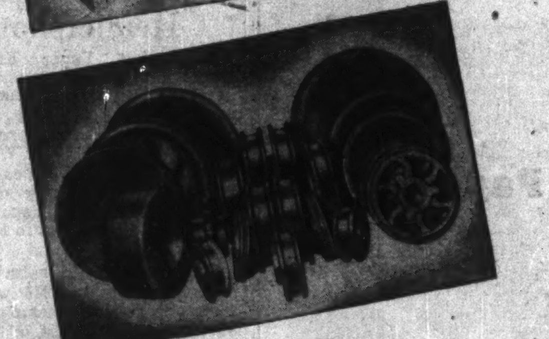
Skilled supervision during every phase of production ensures exacting metallurgical and dimensional standards on every order, whether it be a unit or quantity. Our modern pattern, machine and assembly shops are fully equipped to produce any standard or special equipment for the manufacturing industries.



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Alloy Iron Castings

Demand For Wider Variety Fine Papers Cuts Into Long-Run Mill Operations

(Continued from page 29)

1948 established a new record reflecting capacity operations particularly in the first half of the year. In the current year all units operated at normal capacity until the latter part of February when sudden curtailment became necessary on paper machines manufacturing bleached specialty papers. Demand for a number of products has been less than producing capacities, particularly in the United States and export market, President Aubrey Crabtree stated in July.

Under construction at Newcastle, N.B., is a new pulp mill with capacity of 120 tons daily of unbleached sulphate pulp or kraft. This mill together with new bleaching plant at Edmundston, N.B., is expected to be in production by the end of 1949. Total capital expenditures for 1949 were recently indicated to be approximately $6,500,000. For 1950 the estimate is $2,000,000.

Through its subsidiary, Fraser Paper Ltd., the company controls a modern high-grade mill manufacturing bond, catalogue and waxing paper at Madawaska. Net capacity is 75,000 tons of high-grade sulphite paper and 42,000 tons of catalogue paper annually.

Provincial Paper

Provincial Paper Ltd., controlled by Abitibi Power & Paper Co., manufactures and distributes high grade book, litho, bond, coated and writing paper. Production of machine coated book paper was started at the company's Port Arthur plant in June, 1947. It is marketed under the name "Thriftcoat Enamel".

The company has four plants located at Georgetown, Thorold, Mille Roches and Port Arthur, Ont. The Georgetown plant is a paper coating mill. The Thorold plant has two paper machines with a daily capacity of 45 tons; the Mille Roches plant has two paper machines with a daily capacity of 45 tons; and the Port Arthur plant has two paper machines with daily capacity of 95 tons, sulphite mill, daily capacity 50 tons, and groundwood plant with total capacity of 100 tons daily. Equipment for the production of machine coated book paper installed at the Port Arthur mill in 1947 at an approximate cost of $600,000 has annual capacity of about 27,000 tons. Total capacity of all the company's plants is approximately 63,500 tons of fine paper per year.

In 1947 the President pointed out that the physical condition of some of the company's plants left much to be desired, but that every effort was being made to catch up with deferred maintenance and install new facilities where most needed. By October 1948 modernization of the three other paper mills had so increased their capacity as to make it possible to close down the small and obsolete mill at Georgetown without affecting the company's overall output. The Georgetown coating mill remains in full operation. Physical condition of the four operating mills is constantly being improved the President stated in 1948. A new boiler plant in Port Arthur is contemplated for 1949. A vigorous development policy is being pursued to bring many paper specialities presently imported from the United States to the Canadian market and to improve the quality of the company's products.

Total dollar sales for 1948 amounted to $13,611,216, up 15% from 1947 and net profit was equal to $1,201,914 compared with $1,055,511 in 1947. Per share earnings in 1948 amounted to $60.10 on the preferred stock and $3.32 on the common ($52.78 and $2.90). Sales of fine paper during the first six months of 1949 were at a lower rate than during 1948 and net sales amounted to $6,245,737. Net profit for the first half of the year amounted to $480,733 equal to $24.04 per share preferred and $1.32 on the common.

Working capital amounted to $4,475,369 at June 30, 1949 compared with $4,135,304 at Dec. 31, 1948. Inventories were somewhat lower at $3,646,764 compared with $3,810,459 at the end of 1948, but were still well ahead of the $2,801,526 reported at Dec. 31, 1947.

Capitalization consists of 20,000 shares 4% cumulative, redeemable, preference stock, $50 par, and 350,000 shares common stock, no par value. The entire issue of the common stock is held by Abitibi Power & Paper Co. Ltd.

Rolland Paper

Rolland Paper Co. Ltd. manufactures and sells high-grade bond, writing, ledger, air mail, offset and mimeograph papers.

Plants are located at Mont Rolland and St. Jerome, Que. The annual production of the Mont Rolland mill is 10,000 tons of sulphite bond and rag stock paper and that of St. Jerome is approximately 15,000 tons of high-grade rag stock paper. A $1 million program of plant rehabilitation and addition carried on during the past two years has been largely completed. Expenditures for this purpose totaled $427,665 in the 1947 fiscal year and $498,802 in 1948.

The mills are driven by power from plants owned by the company on the North River, the Mont Rolland plant having a capacity of 1,600 hp and the St. Jerome plant 700 hp. Additional power is purchased from the Gatineau Power Co.

Sales during 1948 were 11% below those of the previous year, due largely to a decline in export shipments. Although production volume was quite well maintained, there was a larger demand for the cheaper grade papers with a corresponding reduction in sales of the more profitable higher grade. Increases in selling prices failed to cover rising cost of labor and raw materials and higher freight rates with the result that net operating profits were sharply reduced to $127,317 from $1,023,910 in 1947.

A net loss of $162,674 was reported for 1948, against a net profit of $330,734 in 1947. Common dividends were deferred after payment of 15c. per share on Aug. 16, 1948. Prior to this time the rate of 60c. per annum had been maintained on the common stock since 1940.

Howard Smith

Howard Smith Paper Mills Ltd. together with its subsidiaries, is the largest Canadian producer of fine and specialty papers. The organization makes over 500 grades of paper sold throughout the Dominion and exported to Great Britain, South Africa, New Zealand, Australia, South America, etc. Through its subsidiaries, the company also controls plants for the manufacture of bleached soda pulp, groundwood, bleached and unbleached kraft pulp and sulphite pulp, glassine, greaseproof, wrapping, toilet and coating papers, tags, paper bags and specialties, tomlinite, a synthetic resin, vanillin, and paper plastic laminates.

Plants at Cornwall, Ont., Beauharnois, and Crabtree Mills, P.Q. have annual capacity of 63,000 tons of bond and ledger paper, bristol board, offset papers, book litho, etc., 50,000 tons bleached sulphite pulp, 60,000 tons bleached soda pulp and 9,000 tons unbleached groundwood. The combined annual capacity of all plants owned or controlled by the company is 132,400 tons bond and ledger paper, bristol board, offset papers, book and litho, etc., 80,000 tons bleached sulphite pulp, 66,000 tons bleached soda pulp, 56,000 tons bleached and unbleached kraft pulp, 19,100 tons bleached and unbleached groundwood and 350 million paper bags and 9 million flour sacks.

Plants of the Beauharnois, Cornwall and Crabtree Mills divisions are owned directly by Howard Smith Paper Mills Ltd., those of the Windsor Mills division are owned through Canada Paper Co., those of the Merritton, Georgetown and Toronto divisions are owned through Alliance Paper Mills Ltd., and the Montreal plant is owned through Arborite Co.

A $10,000,000 expansion program was started in 1947. Expenditures totalled $3,126,517 in 1947, $5,963,644 in 1948, and it is anticipated that approximately $4 millions will be spent on capital account during the current year.

Total area of woodland held by the company and its subsidiaries consists of some 2,000 square miles in Ontario and Quebec held under licenses. Waterpowers owned by the company have a developed capacity of 6,800 hp. while additional electrical energy is purchased under contract from the Ontario Hydro and Shawinigan Water & Power Co.

The demand for pulp and most grades of paper and other products produced by the company continued at a high level through the greater part of 1948, but towards the end of the year there was a definite falling off in demand for pulp and during the summer and early fall there was some slackening in demand for many grades of paper, President E. Howard Smith stated in the annual report. By year end, orders for paper had again increased to the point where the company was able to run at full capacity. Notwithstanding the temporary slackening of demand, new records for sales and production were achieved in 1948, made possible in part by improvement resulting from recent capital expenditures. Net profit in 1948 amounted to $3,377,622 up 77.1% from $1,906,651 in 1947. Per share earnings were equal to $21.11 on the preferred and $9.19 on the common ($11.92 and $4.77).

Working capital was somewhat lower at $8,250,000 against $8,486,584 at the end of 1947. Inventories increased from $6,942,270 to $7,525,821. Inventory reserve amounts to $1.5 millions

An issue of $2 millions 3% first mortgage bonds was made on Dec. 1, 1948, bringing total outstanding funded debt to $8.2 millions. Outstanding capital stock consists of 160,000 shares $2 cumulative preferred stock, $50 par, and 332,836 shares common stock, no par value.

Howard Smith recently acquired virtual control of Donnacona Paper Co. At Dec. 31, 1948, the company's investment in Donnacona totalled $3,437,949 representing the purchase of 150,250 shares. Since the end of the year additional shares have been acquired giving the company practically a controlling interest, the President stated. There are 376,572 shares of Donnacona common outstanding. Chief reason for the purchase of this controlling interest was the raw material supply which would be made available to Howard Smith. If the company should install new paper machine at Cornwall it would mean that all the company's wood pulp production would then be utilized.

Wood Pulp Statistics

(in tons of 2,000lb)

	Production 1948	Production 1947	Exports 1948	Exports 1947
Bleached sulphite	735,346	704,749	551,617	534,084
Dissolving	332,048	306,927	309,279	292,125
Paper Grades	403,298	397,822	242,347	241,959
Unbleached Sulphite	1,402,448	1,322,783	514,917	484,724
Sulphite	816,438	680,435	389,599	316,711
Bleached	276,136		232,538	181,416
Unbleached	540,302		157,061	135,295
Soda/Other	77,907	57,234	25,316	21,867
Chemical Screenings	84,592	82,228	11,537	12,893
Total Chemical	3,116,731	2,856,420	1,492,986	1,370,279
Mechanical	4,392,680	4,275,269	296,520	319,160
Defibrated/Exploded	70,300	52,613	0	0
Mechanical Screenings ..	54,609	69,360	8,492	9,273
Total, All Grades........	7,634,320	7,253,671	1,797,998	1,698,712

Source: U. S. Pulp Producers Assn.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

NORTH-AMERICAN ELEVATORS LTD. operations for the year ended April 30, 1949 resulted in a net profit of $42,260 as compared with a loss of $1,319 the previous fiscal year. An early opening of navigation permitted receipt of a considerable amount of grain during April resulting in an improvement in earnings, the annual report states.

A fair share of the grain moving for export through the St. Lawrence River ports during the present season has been obtained and the company hopes to receive some of the American grain which is scheduled for export via this route. The bank loan was further reduced by $105,000, leaving $60,000 outstanding at April 30. Dividends have been resumed on the first preference stock.

PROFIT AND LOSS ACCOUNT

Years Ended Apr. 30:	1949	1948
Total revenue	$286,465	$186,297
Oper. profit	96,710	28,916
Less: Depr. res.	26,261	21,996
Int & U. S. exch. ..	4,096	8,239
Inc. tax res.	24,093	......
Net profit & surplus ..	42,260	*1,319

*Loss or deficit.

Earnings per Share and Dividend Record:		
1st pref.: Earned ...	$13.39	d$0.42
2nd pref.: Earned ..	6.72	d7.81
Com.: Earned	d0.008	d0.44

No dividends paid on any stock.

CONDENSED BALANCE SHEET

As at Apr. 30:	1949	1948
Cash	$4,578	$139
Accts. rec.	19,551	12,344
Inventories	3,731	4,888
Total curr. assets ...	27,860	17,371
Prep. & def. chgs.§ ...	17,930	24,400
Fixed assets*	1,213,813	1,239,491
Total assets	1,259,603	1,281,262
Bank loan	60,000	165,000
Accts., tax., etc., pay.	43,774	2,693
Total curr. liab.	103,774	167,693
1st pref. sh'lders:		
Approp. from surp. .	38,064	.....
Sinking fund	2,065	2,065
Capital stock	1,115,700	1,115,700
Less: Deficit	a	4,196

§Incl. in curr. assets in co's report in 1949.

aIn 1948, deficit of $4,196 deducted from net profit of $42,260; remaining $38,064 transferred to 1st pref. sh'hldrs approp. acct., leaving deficit forward nil.

*After depr. of	989,627	963,366
Working capital	‡75,914	‡150,322

‡Excess curr liabs. over curr. assets.

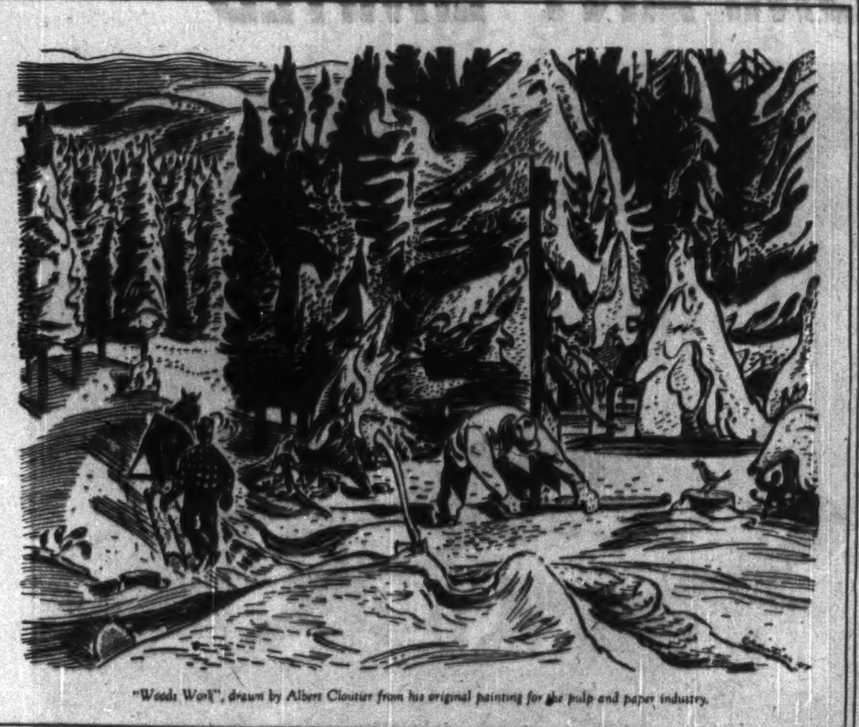
SAINT JOHN SULPHITE,
LIMITED

manufacturers of

HIGH GRADE BLEACHED
SULPHITE

Our plant served by both Canadian Railroads, and, in addition, shipments by water can be made from the year-round port of Saint John, N.B.

HEAD OFFICE	TELEPHONES
FAIRVILLE, N.B.	4-2066
CANADA	4-2067
	4-2068



"Woods Work", drawn by Albert Cloutier from his original painting for the pulp and paper industry.

LESS THAN A FIFTH

Woodsmen harvest for the pulp and paper mills less than a fifth of the wood consumed in Canada. Half as much again is wasted by fire, insects, and disease. Lumber, and logs for export account for about a third. And firewood takes the remainder.

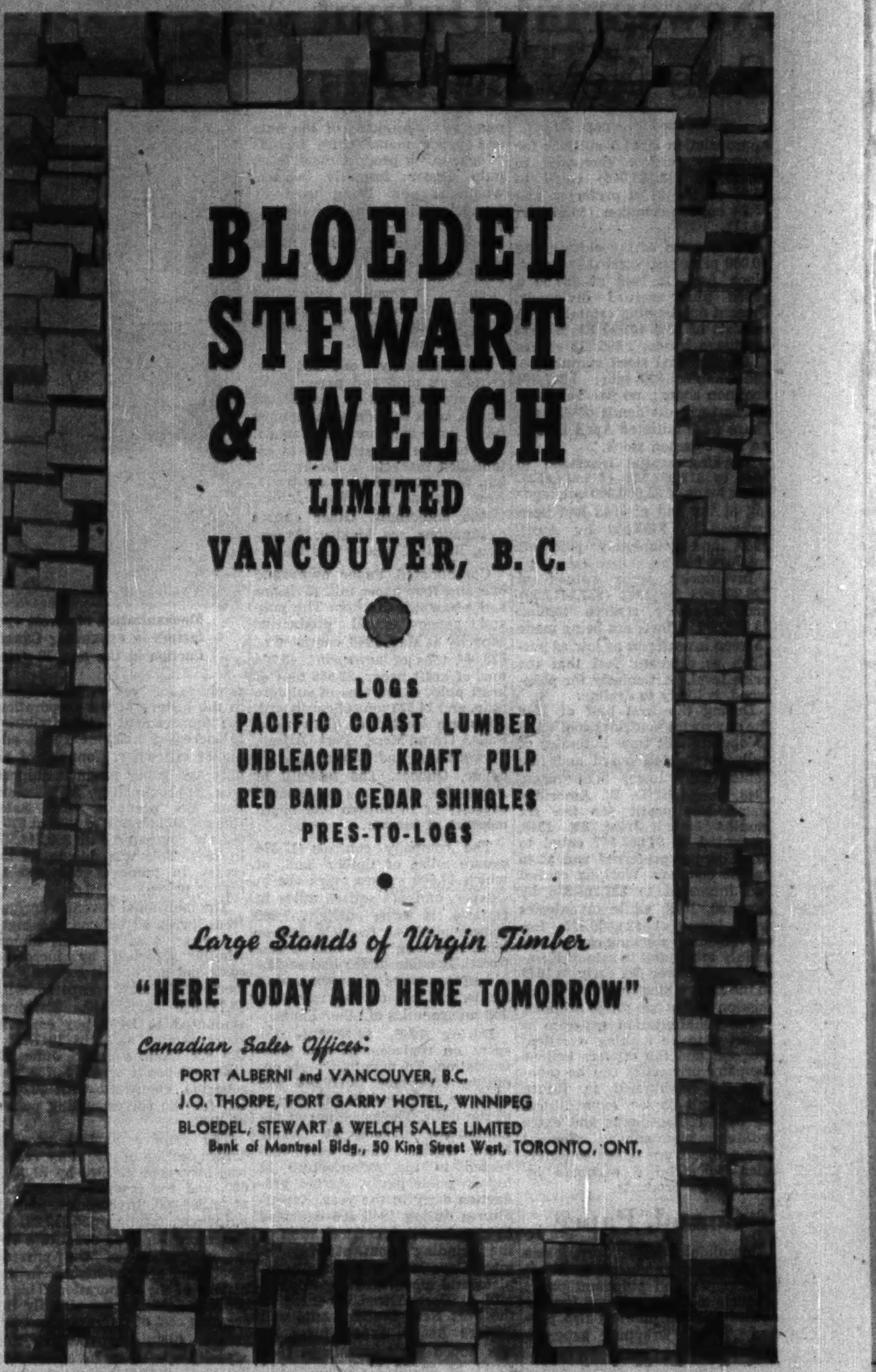
And so from the smallest part of the forest crop flows the greatest national gain: pulp and paper.

Pulp and paper creates $2 million of new wealth daily. It is the largest exporter in the land. In industry it is the largest wage-payer, the largest buyer of goods and services, and the largest wealth producer in Canada.

Every Canadian has a stake in the welfare of this national enterprise.

PULP & PAPER INDUSTRY OF CANADA

118 mills, small and large, from coast to coast



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& WELCH
LIMITED
VANCOUVER, B. C.

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PACIFIC COAST LUMBER
UNBLEACHED KRAFT PULP
RED BAND CEDAR SHINGLES
PRES-TO-LOGS

Large Stands of Virgin Timber

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J.O. THORPE, FORT GARRY HOTEL, WINNIPEG
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IN EVERY PULP AND PAPER OPERATION . . .
FROM BARKING DRUMS TO PAPER MAKING

Engineered RUBBER PRODUCTS *Cut the Cost!*

Every Dominion Rubber product for the mills is engineered specifically to meet individual job requirements . . . "custom built" by men with years of experience in the exacting needs of Canada's leading industry. That's why Dominion Rubber products for the mills provide unparalleled efficiency, economy and dependability in every phase of pulp and paper manufacture where rubber can be used. Dominion Rubber products can cut costs in your mill. Our engineers will be glad to advise you on any problem where rubber can play a part. Call or write our nearest branch.

CANADA'S MOST
COMPLETE LINE OF RUBBER PRODUCTS
FOR THE PULP AND PAPER INDUSTRY

Rubber covered paper mill rolls.
Conveyor and Elevator belts.
Flat transmission and F.H.P. belts.
Hose of all types, including fire, blow pit, air, water, suction, washdown, silica blast, steam.
Rubber lined tanks, washers, pipes, fittings and valves.
Paravar rubber paint. Log haul-up rubber.
Skirt board rubber. Packings and gaskets.
Strips for bird screens.
Belt and cushion type diaphragms.
Doctor blades. Deckle straps.
Material conducting pipe.
Rubber clothing, aprons and gloves.
Rubber footwear.
Truck tires.

LOG HAUL-UP RUBBER

A Dominion development, this tough, highly abrasion-resistant stock is specifically engineered to replace steel channel plates. Dominion No. 4400 Log Haul-up Rubber far outlasts steel; greatly reduces chain replacements.

CONVEYOR BELTS

Lowest cost-per-ton haulage is assured by specifying Dominion Conveyor Belts — engineered specifically for every kind of pulp and paper service. The outstanding, new Dominion Ustex-Nylon Belt handles bulk materials on longer hauls and higher lifts than ever before possible.

HOSE

Hose of all types including fire, blow pit, air, water, suction, washdown, silica blast, steam — a complete range for every pulp and paper operation.

PERMOBOND RUBBER LININGS

High white pulp is assured with Dominion Permobond Rubber Linings. Specially designed to resist chlorine corrosion, Permobond protects equipment subject to corrosive agents.

TRANSMISSION BELTING

From the main power drive in a paper mill to small fractional horsepower drives, Dominion offers a complete range of transmission belts engineered for pulp and paper mill service. The exclusive "round-and-round" construction of Dominion Royal Endless Belts eliminates splice, the most common cause of belt failure.

PERMOBOND ROLL COVERINGS

Engineered for maximum, trouble-free service, Permobond Roll Coverings have all the characteristics to assure outstanding performance; highly polished, flawless surface; proper and uniform density; maximum resiliency; positive core adhesion; exceptional grinding properties.

DOMINION RUBBER COMPANY LIMITED
Engineered RUBBER PRODUCTS FOR EVERY INDUSTRY
HALIFAX · SAINT JOHN · MONTREAL · TORONTO · WINNIPEG · CALGARY · EDMONTON · VANCOUVER

Newsprint Output Sets New Records

(Continued from page 32)

appropriation of $1.5 millions for inventory reserve amounted to $9,413,086 ($8,563,046) equal to $6.66 on the $1.50 preferred and $5.79 on the common ($6.05 and $5.11).

Redemption of the outstanding 50,000 prior preferred shares took place Aug. 1, 1949 at $37.50 a share plus accrued dividends. Present outstanding capitalization consists of $39,550,500 3½% first mortgage bonds; 1,395,272 shares $1.50 preferred stock cumulative, redeemable, $20 par; 1,241,694 common shares, no par value.

Quarterly dividends of 25c per share were initiated April 1, 1949, on the common stock.

Working capital increased in 1948 to $19,093,523 ($15,834,852). Bank loans of $2,000,000 outstanding at the end of 1948 had been reduced to $500,000 by April, 1949, and completely paid off by June 30.

Inventories were valued at $26,998,975 for 1948 ($27,341,550) and inventory reserve totaled $3,700,000. Efforts are being made to keep inventories as low as possible, as directors feel that the price level, particularly for pulpwood, is likely to decline.

During the first half of 1949 the newsprint machines continued to operate full time but sales of pulp, corrugated board and fine papers were lower than during 1948, President D. W. Ambridge stated. Net profit for the six months ended June 30, 1949, amounted to $4,083,407 equal to $2.88 on the preferred and $2.40 on the common. Working capital had increased to $22,208,598 by June 30, 1949, while inventories were lower at $24,050,625. Improvement in working capital was mainly attributed to sale of Kaministiquia Power Co. early in 1949 to the Hydro Electric Power Commission of Ontario for $5 millions.

The rehabilitation program is reported to be making excellent progress and the officers believe company properties can be satisfactorily maintained in future with much lower expenditures for both replacements and extra ordinary maintenance. Several new projects are under consideration to stabilize earnings by diversifying products.

Consol. Paper

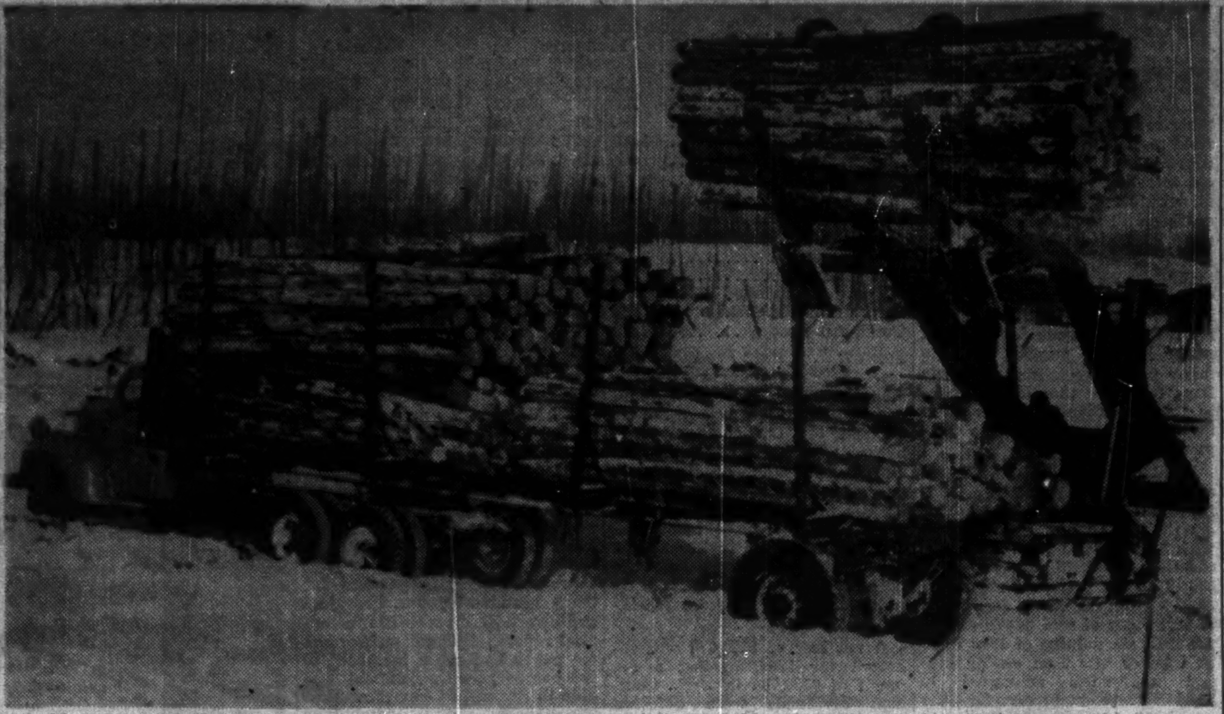
Consolidated Paper Corp. is one of the largest producers of newsprint paper and pulp and paper products in Canada. Sawn lumber (white and red pine) is also produced. Kraft wrapping paper is sold under the name "Wayagamack Pure Kraft": kraft paper towels under the "Hypro" name, and cardboard is sold under the trade name "Laurentide Board." New plastics and other materials now being produced by the company as by-products of the pulp and paper manufacture include "Copacite," a product made from pulp liquor formerly wasted, which is now being used by foundries, linoleum manufacturers, canners and other industries; "Copaco Splicing Film" being used as a joining material by the paper and textile industries; and "Copacol" a chemical by-product of the kraft process being used by soap manufacturers as a substitute for vegetable oil.

Approximately one-half the company's pulp and paper products are exported to the United States, with considerable tonnage being sold and used in Canada. The balance is distributed to established markets in Great Britain, Eire, South Africa, Australia, New Zealand, the West Indies, China and India. Other export destinations are Mexico, Argentina, Brazil, Uruguay and Chile.

Consolidated Paper owns and operates four paper mill divisions and a sawmill division. The pulp and paper annual productive capacity at May, 1948, consisted of 673,064 tons of newsprint, 48,204 tons of kraft paper, 22,866 tons of kraft pulp, 48,540 tons of sulphite pulp, and 14,523 tons of cardboard. Mills are located at Shawinigan Falls, Grand'Mere, Port Alfred, Three Rivers and Cap de la Madeleine, Quebec. The sawmill at Pembroke, Ont., has an annual capacity of 16 million feet board measure of lumber.

The company controls 17,874 square miles of timber land, of which 17,600 square miles are in Quebec, and 274 square miles in Ontario. It owns outright 3,662 square miles of freehold timber land, including the island of Anticosti. It holds under license 13,914 square miles of crown timber limits, and has cutting rights on 308 square miles of other limits.

During 1948, $4,195,884 was spent on replacement and modernization. To maintain high operating efficiency $3,725,644 was spent on maintenance and repairs at the mills. The machines at the Laurentide division at Grand' Mere, Quebec which were converted to the manufacture of higher grade paper, started production early in the year. Expenditures during 1949 are expected to complete the modernization of the grinding room at Wayagamack Cape Mill, and partially replace and modernize the sulphite mill at Port Alfred. Opening of the Port Neuf timber limits will require heavy expenditures. It was hoped replacements in 1949 could be made at a somewhat lower cost and that the company could get through without borrowing, it was stated at the annual meeting.



Mechanization of forest operations has been one of the major factors in expanding Canadian newsprint and woodpulp production in the past 10 years: newsprint output has increased from 2.9 million short tons in 1939 to an estimated 5.2 million tons this year.

Total production of all saleable products for 1948 was the highest in the history of the corporation, the improvement being attributed to increased machine speed and higher efficiency. Tonnage of all pulp and paper products shipped was approximately 3.5% more than the previous year. Sales showed an increase of 12% at $76,663,459, compared with $68,544,563 in 1947. This was due to an increase in tonnage sold and to higher prices.

The additional revenue derived from increased volume and higher prices, was, however, almost wholly absorbed by increased costs and net profits for the year were $11,737,832, compared with $9,711,870 in 1947. Earnings amounted to $4.58 per common share against $3.79 in 1947. For the six months ended June 30, 1949, net profit of $5,353,739 was reported, compared with $6,325,155 for the corresponding period of 1948.

The reserve against possible future decline in inventory values was increased in 1948 by $1,500,000, and the reserve now stands at $2,500,000. Inventories, mainly pulpwood, totaling $36,512,821 at December 31, 1948 constitute the major portion of the current assets and are the highest in the history of the corporation. This is accounted for by the steadily increasing cost of pulpwood and the greater quantities required for capacity operation. Inventories at the end of 1947 were valued at $30,509,511; working capital increased to $32,902,344 at Dec. 31, 1948, from $27,735,847 at the end of 1947.

"The company is in a favorable position to meet current conditions," President G. M. Hobart stated at the annual meeting in May. "Supply of most kinds of pulp and paper has caught up with demand. Demand for kraft paper and cardboard taxes capacity at present, but demand for chemical pulp leaves a margin of reserve capacity."

Can. Int. Paper

Canadian International Paper Co., a wholly owned subsidiary of International Paper Co., manufactures newsprint paper and bleached and unbleached sulphite pulp. Approximately 80% of newsprint output is sold to U. S. publishers and the balance principally in England, Australia and Latin America.

Bleached sulphite pulp is manufactured at three mills which produce special grades of bleached sulphite pulp used as a raw material for rayon, Cellophane, plastic and other products. Some bleached sulphite is used by paper mills of the parent company and its subsidiaries in the Northern U. S. About 70% of outside sales of bleached sulphite pulp are in United States.

Properties of the company and subsidiaries include the Three Rivers and Gatineau newsprint mills in Quebec, the Dalhousie newsprint mill in New Brunswick and bleached sulphite mills at Temiskaming, Que., and Hawkesbury, Ont., and a sawmill at Calumet, Que.

Daily mill capacities are to be:

Newsprint: Three Rivers — 920 tons; **Gatineau** — 810 tons; **Dalhousie** — 740 tons.

Groundwood pulp: Gatineau — 700 tons; Three Rivers—800 tons; Dalhousie — 650 tons.

News Sulphite Fibre: Gatineau — 180 tons; Three Rivers — 220 tons; Dalhousie — 190 tons.

The Gatineau plant also produces 200 tons daily of bleached sulphite dissolving wood cellulose for making rayon yarn, staple fibre, transparent cellulose film, etc.; the Hawkesbury plant produces 194 tons and the Temiskaming plant 367 tons. The Three Rivers plant also produces 30 tons daily mill wrapper and core paper and the Dalhousie plant 28 tons daily.

Subsidiaries include: Continental Paper Products Ltd., paper bags, multiwall bags, paper drinking cups, etc.; International Fibre Board Ltd., wood fibre, solid insulating wallboard; International Plywood Ltd., hardwood plywood; Masonite Co. of Canada Ltd., and New Brunswick International Paper Co.

Timber holdings comprise 21,000 sq. miles, largely in Quebec, considered adequate for perpetual requirements of present mills.

Individual financial and operating statements are not submitted for publication, being included in consolidated accounts of International Paper Co. Production in 1948 totaled 967,044 tons, including 709,528 tons newsprint. This compares with 936,564 tons in 1947 (689,273 tons newsprint).

Donnacona Paper

Donnacona Paper Co. is a large producer of newsprint and manufactures sulphite and groundwood pulp and insulating board products. Approximately 90% of the company's newsprint output and about 55% of its sulphite pulp available for sale are sold in the United States. Sale of insulating board products is world wide.

The company's newsprint mill with necessary groundwood and sulphite pulp plant is at Donnacona, Que. Annual capacity of the three newsprint machines is now 100,000 tons. The sulphite pulp mill can produce 50,000 tons per annum of which 30,000 tons is surplus for sale. The capacity of the groundwood pulp mill is 96,000 tons per annum. The insulating board mill has an annual capacity of 90 million square feet.

Timberlands are owned in fee or leased adjacent to the St. Lawrence river and comprise practically all the land in the watersheds of the River Jacques Cartier, River Sault au Mouton and the Bersimis River in Quebec, aggregating about 1,611 square miles estimated to contain some 11.9 million cords of pulpwood. Of the total land held under lease or freehold, 752 square miles is the company's share of Bersimis timberland purchased by Donnacona and Anglo-Canadian Pulp & Paper Mills in 1947 from the Brown Corp. Cost of the new land and pulpwood cutting rights was $2,410,461.

Donnacona owns directly or through its subsidiary the D.P. Power Company, water powers on the Jacques Cartier River at its junction with the St. Lawrence having a present development of 12,000 hp and an ultimate capacity of approximately 46,000 hp. The balance of power required is purchased under an agreement with the Shawinigan Water & Power Co.

The company has five wholly owned subsidiaries: Quebec Paper Sales & Transportation Co. operating a fleet of 10 Diesel motor vessels transporting newsprint, paper and pulpwood; Donnacona Sales Corp. marketing and distributing products of the company; Donnacona Improvement Co. owning a part of the townsite of Donnacona, Que.; Cartier Warehouse Co. incorporated for warehousing the company's products; and D.P. Power Co., which owns and operates hydro-electric power developments on the Jacques Cartier River.

Capacity operations were maintained throughout 1948 and production totaled 157,050 tons compared with 148,810 tons in 1947. During the first six months of 1949, the company reported production of all pulp, paper and insulating board products of 77,827 tons compared with 75,717 tons for the same period of 1948.

Net sales during 1948 increased to $14,357,857, compared with $12,474,847 in 1947. Net profits showed a 26% increase at $1,571,899 ($1,245,174) equal to $62.88 on the preferred stock and $3.88 on the common ($49.81 and $3.01). Net earnings for the first half of

(Continued on page 36)

FELTS

AYERS high grade FELTS

Serving Since
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In supplying Pulp and Paper Makers' felts in wool, cotton and asbestos, to meet every need, also Cotton Transmission rope.

One of Canada's leading manufacturers of Machine Clothing, Printers' and Stereotypers' Felt Blankets, Woolen Fabrics for men's and women's wear trades, pure Wool Blankets for domestic and outdoor use.

Ayers

LACHUTE MILLS, P.Q.
Established 1870

THIS DIESEL-ELECTRIC REDUCES...

FIRE HAZARD

AT ONTARIO PAPER COMPANY

FIRE PROTECTION is of first importance in the wood yard of a paper mill. To reduce the fire hazard in its pulpwood storage piles, the Ontario Paper Company, Thorold, Ontario, replaced a steam switching locomotive with a G-E diesel-electric locomotive. Besides lessening the fire hazard, this progressive Company has benefited from the high availability and increased operating economy of the new diesel-electric.

ONTARIO PAPER COMPANY
No 1

GENERAL GE ELECTRIC

DIESEL-ELECTRIC LOCOMOTIVES

● G-E diesel-electric locomotives are chosen by many industries for switching and transfer service. Pulp and Paper, Mining, Iron and Steel, Chemical, Cement, Quarrying, Shipyard, Sugar, Starch, Machinery, Distilling and Lumbering are some Canadian industries already being served by General Electric diesel-electrics. Write for information on how G-E diesels can serve you.

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CANADIAN GENERAL ELECTRIC CO LTD

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THE GREAT LAKES PAPER COMPANY LIMITED

The Great Lakes Paper Company Mills

MANUFACTURERS OF HIGH-GRADE NEWSPRINT PAPER AND UNBLEACHED SULPHITE PULP

Annual Mill Capacity
140,000 Tons Newsprint
48,000 Tons Sulphite Pulp

●

Pulp and Paper Mills at Fort William, Ont.
TORONTO OFFICE — 159 BAY ST.

Turn Waste Forest Products to Industrial Use

Here Are Major Developments Getting More Out of Pulpwood

Practically everyone has some idea of what comes out of a pulp and paper mill. Newsprint, woodpulp, writing and wrapping paper, cardboard and building board. Not so well known are scores of other products which got their start in a pulp and paper mill or its research laboratory. And every day the list of these new products grows. Here are a few—

Ethyl alcohol, cattle feed, yeast, gasoline, road binder, insulating board, vanilla, resins for plastic manufacture, filler for rubber, oxalic acid, plywood, roofing felts, and bricks.

Some of these products are not yet being manufactured in commercial quantities in Canada. All could be if the need arose. Development of pulp and paper by-products is just nicely started but already many of these items are providing the base for major new industries.

By-product is only half of the story unfolded by the pulp and paper makers. The other part is the ways and means which have been found to use what were once classified as waste materials. Such throw-away materials as sawdust, bark, sulphite liquor from pulp making are now being used to make valuable products.

Why do the pulp and paper makers bother with waste materials and by-products? The answer is in one word — utilization. Like the other forest industries, the pulp and paper people realize that Canada's forests are being depleted. Pulp mills today have to go farther and farther afield for their pulpwood.

The paper men reason that if they can get more wood per tree by using waste materials they will conserve their pulpwood standing in the forests. At the same time if they can make each tree more productive by finding new products which can be made from wood the forests will produce that much greater wealth for Canadians.

Virtually all of Canada's larger pulp and paper mills are working on ways to increase wood utilization.

In the Maritimes, Mersey Paper Co. is manufacturing fodder yeast from sulphite liquor.

Price Bros. in Quebec is using spruce sawmill waste in the manufacture of chemical pulp. Consolidated Paper and Gaspesia Sulphite Co. both make a road binding material from waste sulphite liquor and the latter company also has manufactured a tanning agent.

Abitibi Pulp & Paper Co. is making sodium sulphite. Building Products is another company which makes extensive use of waste materials in its building trades products.

On the West Coast Bloedel, Stewart & Welch, Sorg Pulp are making sulphate pulp from sawmill waste. H. R. MacMillan Export Co. is building a new pulp mill which will also use waste material.

CIP's Operation

One of the best examples of wood utilization is the Canadian International Paper Co. plant at Gatineau. At the plants here, a half dozen different products are made from the Northern Quebec and Ontario forests — newsprint, pulp, plywood, insulating board, "Masonite," and alcohol.

Let's look at the plywood mill, for example. Superficially plywood has very little to do with pulp and paper making, but at the CIP at least it is an offshoot of the main business. Like most other companies in the industry, CIP has a policy of as complete and orderly utilization of forest products as possible. Applied to bush operations, this meant that it sought ways to use hardwood trees, unsuitable for pulp or paper making. The answer was plywood. Several species of hardwoods proved ideal for the manufacture of hardwood plywood. In the past birch has only received appreciation for its beauty. Today builders and construction men have taken to it for strength and usefulness as plywood.

"Ten/Test" CIP's trade name for its rigid insulating board is a pulp and paper by-product. Pulp screenings, or pulp stock which is unsuitable for newsprint is pumped to the fibreboard plant where it is further refined. Wood which is substandard for paper making can also be used in fibreboard manufacture. As in paper making fibreboard pulp passes between giant rollers which squeeze and eliminate the surplus liquid and compress the pulp mass to the required thickness. About 50% of the raw material going into CIP's insulating board is material which would otherwise be considered waste.

"Masonite" or "presdwood" has made possible greater utilization of the forests. Wood from the jackpine tree is used entirely in the manufacture of "masonite." Some jackpine is used in newsprint production but only in limited amounts. By using jackpine in the manufacture of "Masonite" it is no longer necessary for the newsprint mill to use large quantities of this less desirable species. "Masonite" is actually made by blasting the wood apart with a pressure gun and then reforming the fibres into a grainless, knotless, seamless board.

Latest development at Gatineau is the manufacture of ethyl alcohol out of waste sulphite liquor. The waste liquor is pumped from the CIP pulp mill to the alcohol plant of Commercial Alcohols. This plant is capable of producing 2.5 million gallons of alcohol per year. The Ontario Paper Co. at Thorold, Ont. is operating a 2,000 gallon per day plant producing alcohol from sulphite waste liquor.

While the CIP Gatineau plant provides a good example of how a number of industries can be integrated by the use of pulp and paper waste products, it is by no means the only plant which has invested heavily in this field.

On the Chemical Side

Howard Smith Paper Mills has tackled the problem of waste utilization largely from the chemical side, under G. H. Tomlinson vice-president in charge of research and development. Mr. Tomlinson was working on the utilization of wood waste as far back as 1904. Over the next few years he developed a process of making alcohol from sawdust. In two plants using the Tomlinson process about 10 million gallons of alcohol were produced from this material. It was subsequently discovered that unless an assured supply of wood waste at low cost was available for long periods, the alcohol business based on this method would not attract the necessary capital.

Fortunately for the Canadian pulp industry, Tomlinson next turned his attention to the chemical pulp field. He joined Howard Smith in 1921 as its technical director. One of the first problems he tackled was that of recovering the chemicals in making soda pulp and in burning the so-called "black liquor" to provide heat for the pulp process. At the Windsor Mills plant, Mr. Tomlinson built his first complete recovery unit which resulted in a saving of $5 a ton in making kraft pulp, by recovering the chemicals, reducing maintenance costs and producing over 10,000 pounds of steam per ton of pulp. This amount of steam was normally sufficient to supply all process needs of the mill. Equipment of this general design is now almost universally used in kraft pulp making and these furnaces together make about 10 million tons of pulp a year. Thus the Tomlinson development has saved millions of tons of coal, and more millions of pounds of chemicals, particularly sodium salts.

A more recent pulp and paper product developed by Howard Smith is that of "arborite." This plastic product was the result of wartime research on lignin, the binding agent in wood. A method was discovered of recovering the lignin from pulp and this was mixed in again with pulp. The mixture was run over a paper machine and made into paper with excellent laminating qualities. When several sheets of this were laminated under heat and pressure a plastic panel was obtained with high tensile strength, water resistance and stiffness. "Arborite" is used chiefly in the electrical, furniture and building industries. It was used as an interior finish and for furniture in the Laurentian Hotel.

The lignin product base for "arborite" is called "Tomlinite" and is said to be an excellent plastic material easily available at low cost. In the synthetic rubber field Polysar S has been blended with lignin to produce a strong synthetic white rubber. This type of rubber will likely be used in nonmarking rubber soles and heels, linoleum, table covering and other consumer items and may eventually find use in auto tires.

Even Vanilla and Sugar

Vanilla is another product developed as a by-product of pulp making. It was discovered that vanillin, a crystalline chemical, is one of the building stones of lignin. A method was found of extracting the vanillin from the lignin and Howard Smith has been supplying the Canadian market with this product for about eleven years with a surplus available for export.

The pulp making process holds wide possibilities as a source for other by-products. Lignin appears to be particularly important in this field. Gasoline can be produced from lignin for about the same price as from lignite coal which has been estimated to be around 12 to 15 cents a gallon, it is claimed.

Wood sugar extracted from wood waste is another product which has come out of the chemists laboratory. Synthetic phenols for making plastic resins have been made in the laboratory out of lignin. Finely ground wood, or wood flour, can be treated to produce lignocellulosic a black plastic molding powder, which is said similar to "Bakelite" and is resistant to moisture.

Carbohydrate cattle feed is a wood sugar. It is made from both cellulose or hemicellulose by hydrolysis and is distributed as a molasses. It is not a substitute for grain or hay but a supplement. The molasses contains about 50% of material which is available food for cattle. Protein cattle feed may be produced by growing a yeast on wood sugar.

A new chemical twist to the sulphite pulp process has resulted in reduced costs and has solved the troublesome problem of the economical disposal of waste sulphite liquor. In 1936 Mr. Tomlinson had a "hunch" about the way to make better sulphite liquor. In co-operation with Babcock & Wilcox Co., a pilot plant was erected in Cornwall and the new idea was tried out successfully in 1937 and 1938.

The idea was that a switch in chemicals — magnesium instead of calcium — would do the trick. By switching to magnesium, Tomlinson discovered that the sulphite liquor could be evaporated, burned to generate steam and that the magnesium and the sulphur could be almost completely recovered.

Rayon and "Cellophane"

Two products which came from pulp manufacture are now the basis of major industries themselves. Rayon and "Cellophane" are both products of Canada's spruce and balsam forests. Basically "Cellophane" and rayon are the same material, Both come from cellulose. The only difference is the final form: "Cellophane" is cast in a film while rayon is cast in the form of fine filaments or threads.

To manufacture "Cellophane" and rayon large quantities of bleached sulphite pulp are required. This pulp is delivered to the plant in 400-pound bales of sheets already cut to required size. These sheets are weighed into batches which are "mercerized" or converted into alkali cellulose by being steeped in a solution of caustic soda. When the steeping process is completed and excess moisture drained off the batch is dumped into shredders which tear the pulp into a fluffy white mass of fibres.

After being aged the alkali cellulose is mixed with carbon disulphide in rotating churns and becomes orange-colored cellulose xanthate. This is then mixed with a solution of caustic soda and the resulting liquid viscose is filtered, blended and pumped into tanks to ripen.

From this point on, the manufacturing process for "Cellophane and rayon changes. The "Cellophane" is made by running the viscose over a casting machine and through a succession of rollers and baths it emerges as a transparent sheet. Rayon is drawn out into thread.

Until recently one of the most useless parts of the tree was the bark. Tree bark is part of the 30% of a tree which is generally considered to be nonmerchantable. Other parts include stumps, tops and branches, leaves. Many pulp and paper companies used the bark as fuel for boiler plants, others sent it to the waste burner.

Today, Weyerhaeuser Timber Co. is now making five new products from the bark of Douglas fir. Silvacon is the new name for the series of by-products being made from Douglas fir bark. They are used as fillers, as ingredients in phenolic glues, in thermosetting molding compounds in insecticides and as soil conditioners. In Canada work is in progress at the Pulp and Paper Research Institute of Canada on the separation and identification of the extractives in spruce bark. Insulation boards of fairly good quality have been prepared from barks from eastern spruce and western red cedar.

One of the most interesting of the new developments in the use of wood waste has been that undertaken by two Montreal men. They claim to have worked out a method for making building blocks from wood waste. Wood shavings — dust, dirt and all — are blown into a hopper and fed directly into an ordinary cement mixer. In the mixer the shavings are blended with a number of fairly inexpensive chemicals and cement. A batch is agitated for about seven minutes and poured into a conventional brick-making machine. Shavings they say act as the filler, cement as the bond and the chemical mix has made them fire-resistant, water-repellent, vermin-proof and noncorroding.

While much has been done in the pulp and paper industry to increase wood utilization and in the development of by-products, much still remains to do, it is said. In some sections where wood is being rapidly depleted it is held that more intensive research along these lines will become more and more essential.

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Newsprint Output Sets New Records

(Continued from page 34)

1949 were reported to be 14% below those of the corresponding period of 1948. Net profits amounted to $582,187 compared with $665,088 in the first half of 1948 equal to $23.29 per share preferred and $1.40 on the common ($26.60 and $1.52).

Capital expenditures during 1948 amounted to $603,925, mainly for completion of the new steam plant and partly for equipment for expansion of production, improvement in quality of products and essential improvements.

Working capital at Dec. 31, 1948 increased to $4,672,360 from $3,646,752 at the end of 1947. Inventories were higher at $6,122,739 up from $5,076,938. Bank loans were reduced to $1,230,000 from $1,300,000 during the year.

Virtual control of Donnacona is now held by Howard Smith Paper Mills Ltd. At the end of 1948, Howard Smith held 150,250 common shares of Donnacona and additional shares have since been acquired. Close working arrangements of Donnacona with Howard Smith Paper Mills is anticipated in the future by officials of the latter company. Donnacona has 30,000 tons unbleached sulphite pulp capacity in excess of its own requirements which will provide an important part of the Howard Smith needs for its book and writing papers. Possible conversion of Donnacona machines from newsprint to book or other fine papers is envisaged should such a step become necessary in the future.

Present outstanding capitalization consists of $6,235,000 3½% First Mortgage bonds, $2,500,000 4½% cumulative, convertible, redeemable preferred stock, $100 par, and 376,572 shares common stock, no par value.

Donohue Bros.

Donohue Brothers Ltd. owns and operates a pulp and paper mill at Clermont, Que., with an approximate annual capacity of 60,000 short tons of newsprint and groundwood pulp. Newsprint output is sold entirely to Scripps-Howard Supply Co. and the Hearst interests under a 10-year contract from Jan. 1, 1947. The company also manufactures mechanical groundwood likewise sold under long term contract.

Increase of 20% in capacity to 60,000 tons per annum at December 31, 1948, was achieved through the expenditure of $1,750,000 from January 1, 1946, to December 31, 1948. Six Waterous grinders were installed and electric drives and two paper machines, as well as other improvements. The program was financed entirely out of company resources with the exception of a long term loan of $225,000. A $600,000 expansion program has been authorized for 1949. Work will be done in other sections of the mill, necessitated by the increased level of production. By the end of the year, or shortly thereafter, capacity will have been increased by a further 20% to 72,000 short tons per annum.

Timber limits under lease from the province of Quebec total 420 square miles containing an estimated 1,500,000 cords of pulpwood. The company also owns a freehold of a limited area and an additional concession awarding the company an area of 80 square miles in the Murray River watershed is expected to be turned over to the company this year.

Total production in 1948 amounted to 13,426 tons pulp, 49,828 tons newsprint, a total of 63,254 tons. This compares with a total production of 62,988 in 1947, consisting of 16,850 tons of pulp, and 46,138 tons of newsprint. Net earnings for 1948 amounted to $1,038,957, a slight decrease from $1,150,108 in 1947. Net profit was up 4.4% at $544,066 compared with $511,352 in 1947. Per share earnings amounted to $3.56 against $3.41.

Working capital amounted to $1,999,896 at December 31, 1948, compared with $1,732,035 at the end of 1947. Inventories were higher at $1,955,830 compared with $1,584,529.

Long term indebtedness at December 31, 1948, included $725,000 5% notes due $7,250 monthly commencing February 1, 1949, and $64,208 long term loan drawing interest at 5% and due in semi-annual installments of $12,500 commencing June 1, 1950. Capital stock consists of 150,000 shares common stock, no par value.

For the first six months of 1949 net profit was estimated at $253,638 ($294,588) equivalent to $1.69 share ($1.96). The 13.9% reduction in net profit is attributed entirely to the decrease in the market price for groundwood pulp.

Great Lakes Paper

Great Lakes Paper Co. Ltd. manufactures newsprint and unbleached sulphite pulp at its plant located on the Kaministiquia River near Fort William, Ont. Full facilities are available for rail and water shipment. Capital expenditure of $5.2 millions on mill improvement for the years 1939 to 1948, inclusive, together with utilization of some surplus capital facilities in the original mill construction has enabled the company to increase its production facilities from annual capacity of 100,000 tons newsprint to an annual output close to 140,000 tons plus 48,000 tons unbleached sulphite for export. The general mill improvement program, commenced late in 1946, is nearing completion. About $500,000 outlay in 1949 may be required to complete the program. Construction of the new No. 5 sulphite pulp digester with annual production capacity of 10,000 tons, was completed in February, 1949.

Under an agreement dated March 14, 1940, the company obtained a 21-year lease with provision for renewal for a further 21 years, of Ontario timber areas considered adequate for the future operation of the mill. Timber lands held under lease and by freehold title cover over 3,500 square miles in Ontario and are estimated to contain more than 13,500,000 cords of pulpwood of which 11,000,000 cords are suitable.

Production in 1948 amounted to 129,980 tons of newsprint paper and 45,271 tons unbleached sulphite pulp compared with 123,690 tons and 49,533 tons respectively in 1947. In addition, 851 tons groundwood and 2,941 tons of screenings were produced for export in 1948. Net sales amounted to $16,685,967 in 1948 compared with $15,233,058 in the previous year.

Net profit was higher at $1,983,800 against $1,805,159 in 1947 with per share earnings equal to $10.15 on the combined Class A and B stocks and $4.06 on the new common shares ($9.15 and $3.59). During the first six months of 1949 net profit declined to $741,917, as compared with $1,055,833 in the like period of 1948. This was equal to $3.80 on the combined A and B stocks and $1.24 on the common compared with $5.35 and $2.19 in 1948.

Reduction in earnings was attributed to continued lack of demand for unbleached sulphite pulp and the decline of the market price for this product. Newsprint operations continued at full mill capacity and earnings from this division were satisfactory.

Working capital June 30, 1949, amounted to $5,946,887 compared with $5,969,605 at December 31, 1948 and $4,239,305 at the end of 1947.

Dividend policy of the management is to pay out 50% of earnings as dividends and allow the balance to strengthen working capital position, Hon. W. Earl Rowe, president, stated. Common dividend was reduced with declaration of 25c per share payable June 30, 1949; previously 40c per share had been paid quarterly since March 1, 1948.

Redemption of 1,775 Class A preference shares was effected in 1948. Present outstanding capitalization consists of $5,630,000 3½% first mortgage sinking fund bonds; $392,000 4% debentures; 95,490 class A, $2.50 cumulative preferred, no par value; 100,000 shares class B $1.20 cumulative preferred, no par value; and 400,000 shares common stock, no par value.

Great Lakes Paper has a long term contract covering approximately 120,000 tons of newsprint annually with nineteen publishers. In 1946 arrangements were made with publishers to extend their contracts, for a further five years from Jan. 1, 1951, subject to renewal for a further five years to Dec. 31, 1960 at the publishers' option.

Lake St. John

Lake St. John Power & Paper Co., controlled by St. Lawrence Paper Mills Co., operates a complete pulp and newsprint mill at Dolbeau on the Mistassini River north of Lake St. John, Que. and has equipment for the packing and shipping of unbleached sulphite pulp. Capacity of the mill is 102,600 tons newsprint and 30,000 tons unbleached sulphite annually.

The company holds under conditional lease from the Province of Quebec, 2,059 square miles of timber limits estimated to contain in excess of 12 million cords of pulpwood. These limits are located on the Mistassibi and Mistassini Rivers north of Lake St. John and are estimated to meet present requirements in perpetuity.

Forest Volume

Following is table of merchantable timber in the productive forest areas of Canada (Newfoundland excluded):

(Millions of cubic feet)

Accessible forests:	
Conifers	132,712
Broad leaved	58,635
Presently Inaccessible Forests:	
Conifers	107,531
Broad leaved	12,323

Source: Dominion Forest Service.

Production for the year ended Dec. 31, 1948 totaled 101,604 tons newsprint and 27,640 tons of sulphite pulp with a net sales value of $11,623,780. This compares with 1947 production of 99,768 tons newsprint and 26,249 tons sulphite pulp with net value of $10,324,359. Net profit in 1948 amounted to $2,015,931 ($1,338,383) equal to $112.05 per share preferred and $19.09 on the common ($74.35 and $12.30). During the first six months of 1949 net operating profit amounted to $552,270 compared with $1,031,722 for the corresponding period of 1948. The reduction is attributed to a material drop in the general demand and reduction in selling price of sulphite pulp.

Capital expenditures during 1948 amounted to $162,979 covering chiefly improved electrical equipment and speeding up of machines.

St. Lawrence Paper Mills Company, the parent concern, holds 99.5% of the outstanding 100,000 common shares of no par value and the entire preferred issue of Lake St. John Power and Paper. In addition, Lake St. John has outstanding in the hands of the public $2,981,000 3½% first mortgage bonds and $2,999,600 5% mortgage debentures.

James Maclaren

The James Maclaren Co. owns and operates the newsprint and lumbering division of the parent company, Maclaren Power and Paper Co. Properties include a 105,000-ton newsprint mill at Masson, Que. and an 85,000-ton groundwood mill at Buckingham, Que.

The James Maclaren Co. holds under crown leases about 2,600 square miles of timber limits located on the Lievre River watershed and estimated to contain more than 6,000,000 cords of pulpwood which is sufficient to supply requirements of the mills for at least 50 years. The sole subsidiary, Maclaren Newsprint Sales, acts as the marketing organization.

Production and sales in 1948 amounted to 109,800 tons compared with 98,558 tons in 1946. Net profit for the year ended November 30, 1948 was $1,986,131 compared. with $1,807,257 in 1947.

M & O Paper

Minnesota & Ontario Paper Co. is entirely integrated for the manufacture of newsprint and related products, kraft and specialty papers, structural insulation board "insulite," sulphite pulp and other forest products in the United States and Canada.

It also engages in a number of related activities including the generation of steam and hydro-electric power for lighting purposes and for use in its plant at International Falls, Minnesota, Fort Frances and Kenora, Ont. In addition, the National Pole & Treating Division operates plant facilities at Minneapolis, Minnesota and Hillyard, Wash.

Plants operated by the company are described as follows: International Falls, groundwood specialty papers, kraft papers and insulating material; Fort Frances, power-generating plant, newsprint mill, groundwood pulp mill and related equipment; Kenora, newsprint mill, a groundwood pulp mill and related equipment; the Insulite Division located at International Falls, Minn., producing building board, lock-joint, lath, pile and cold storage, roof, railroad, industrial and refrigerator insulation; Pole and Treating Division formed in 1946 producing cedar poles, treated and untreated ties, cedar piling and pressure creosoting.

Through subsidiaries, the company operates a power distribution system and publishes a daily newspaper. A toll bridge across the Rainy River between Fort Frances and International Falls and the properties at each end are owned by the company.

Volume of manufactured products of the company and its subsidiaries in the United States during 1948 was: 36,373 tons groundwood specialty papers, (37,071 in 1947), 24,146 tons kraft papers (26,720), 17,401 tons of sulphite and kraft pulp in excess of own requirements (18,317), 429,209,000 square feet "insulite" (416,380,000 square feet) poles, ties and treating, $2,177,276 ($2,240,087). Volume of Canadian operations was 171,660 tons newsprint (173,730 tons), 27,281 tons groundwood specialty papers, (18,005), sulphite pulp in excess of own requirements 883 tons (171).

The company's expansion program initiated in 1945 had aggregated approximately $14,600,000 to the end of 1948 of which about $5,500,000 was provided during 1948. The present program involving approximately $2,400,000 is expected to be substantially completed in 1949. The rebuilding and modernization of the No. 4 paper machine at the International Falls mill was completed early in 1949. The remodeling of this machine increased production capacity and made possible the production of new products giving a greater measure of operational flexibility according to President Donald D. Davis. It was expected that both bleached and unbleached kraft and sulphite grades would be processed on the newly designed machine capable of producing in excess of 120 tons a day. Modernization of the No. 6 paper machine at the Fort Frances plant was completed in August, making possible speed ranges of 200 to 1,000 feet per minute. This is expected to result in more economical operation while producing a higher quality and more diversified line of paper.

Net sales for the year ended Dec. 31, 1948, increased to $52,559,070 from $48,996,712, in the previous year. Net profit at $5,965,740 ($4.54 per common share) was little changed from the 1947 net of $5,753,359 ($4.46 per common share).

The market for newsprint continued strong throughout the year but there was evidence toward the end of the year of some softening of the market for other products, and this was reflected in a decline of net sales for the first six months of 1949 to $21,509,180 as compared with $25,966,341 in the corresponding period of 1948. Net profit for the period was estimated at $1,735,525 equal to $1.35 per share compared with $3,060,075 or $2.37 per share in 1948. Dividend of 25c per share was paid on July 20, 1949, a reduction from the previous quarterly payment of 50c per share paid since October 15, 1947.

Funded debt outstanding amounts to $2,684,100 and capital stock outstanding is 1,284,930 shares of common stock, $5 par. Timber areas in Minnesota and Ontario exceed 5,000 square miles including approximately 180,000 acres of fee land. Through an agreement with the Province of Ontario, additional Ontario forest supplies over an area in excess of 5,000 square miles are available for the Kenora and Fort Frances mills.

The company has continued the purchase in the United States of timber-bearing fee lands as well as tax-forfeited lands suitable for the growing of timber. Important long-term timber cutting rights upon publicly owned land in Minnesota were established during 1948. Wood supplies available to the company are estimated to be sufficient to meet the anticipated requirements of both the American and Canadian operations.

The hydro-electric power developments of the company have a combined capacity of 94,000 h.p. and steam power plants have 34,000 hp. In addition to the steam turbo generator of a capacity of 7,500 kilowatts and related steam-generating facilities installed in the International Falls plant in December, 1947, a similar unit came into operation late in 1948. The additional power of the company is said to satisfactorily meet the requirements of the company at International Falls. The power supply at the Fort Frances plant is adequate under normal conditions. The power available at the Kenora plant as supplemented by power provided under contract with Winnipeg Electric Company is likewise adequate under normal conditions.

Ontario Paper

The Ontario Paper Co., Thorold, Ont., and its wholly owned subsidiary, Quebec North Shore Paper Co., at Baie Comeau, Quebec, are owned by the Chicago Tribune and the New York Daily News.

The Thorold paper mill, which produces over 550 tons of newsprint daily, obtains its pulpwood requirements from timber lands at Shelter Bay and Franquelin, Quebec, and at Heron Bay, Lake Superior and Manitoulin Island. The pulp sales plant has a capacity of 120 tons of pulp a day, which is sold on the open market. The Ontario Paper Co. also operates the Beaver Co. newsprint machine, using its own supplies and some of its own operating staff.

The Thorold mill also operates a board machine with a capacity of 15 tons per day to provide newsprint wrapper for its own use and for the Baie Comeau mill.

A subsidiary, Quebec & Ontario Transportation Co., operates a line of lake boats on the Great Lakes and the St. Lawrence River, moving pulpwood and other raw materials to the mills and newsprint to New York and Chicago. During the past year,

(Continued on page 38)

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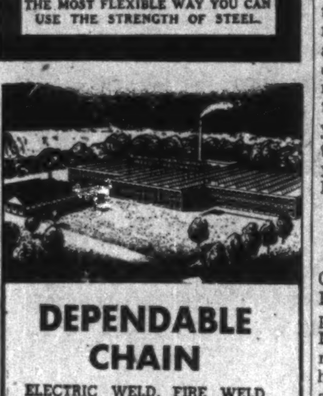

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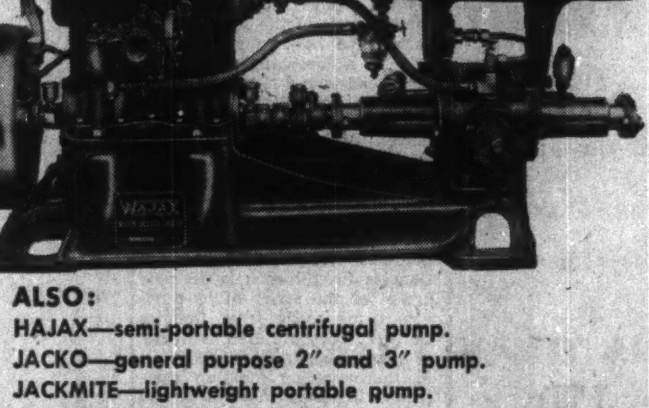

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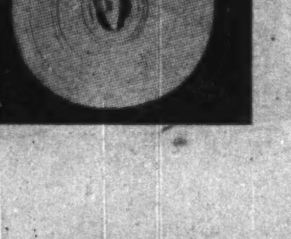

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National Value of Industry

Points to Need for Activity

The Canadian pulp and paper industry produces over 40% of all the U. S. dollars Canada earns from exports to the United States. It pays out about a quarter of a billion dollars yearly in wages. Three out of five newspaper pages throughout the world are printed on Canadian paper.

These are just some of the many impressive statistics which illustrate how important pulp and paper is to the national economy. On the competitive strength of its products in world markets depends not only the welfare of the industry itself, but of all Canadians as well.

With this thought in mind, industry leaders have been concerned for some time about the need for greater attention to research. They'd like to see larger sums spent on projects to improve present products, develop new ones. They want to see more complete use of the resources at hand, more efficient and possibly entirely new processes developed.

Canada, they say, should lead the world in creating new ideas for exploiting the products of the forest; and its individual companies should be quick to apply the new developments in their own mills.

The Cost of Research

How much should the pulp and paper industry spend on research, if it is to do a proper job on this phase of its operations?

At least $8.4 millions yearly, according to D. W. Ambridge, president of Abitibi Power & Paper Co. In an address to pulp and paper men earlier this year, he argued this way:

According to a national survey in the United States, the average industrial company in that country spends between 1½c. and 2c. of their sales dollar on research and development. Some U. S. chemical companies spend as much as 5 or 6c, some paper companies as much as 2c and some as little as 0.07c of their sales dollar.

Not counting those companies in Canada whose parent organizations are in the U. S. and carry out their main research there, the wholly Canadian pulp and paper companies in Canada sold about $500 millions of goods in 1948. After reducing this figure by 15% to be conservative, and allowing only 1½c out of the sales dollar ("we might blow ourselves and spend even 2c in insuring not only the industry's future but the economic future of the whole nation"), Mr. Ambridge estimated that Canadian expenditures for research, by American standards, should be $8.4 millions annually.

This would mean employment of about 1,100 research workers, figuring in an average salary of $3,800 per year and total annual payroll of $4.1 millions (65% of total funds available).

How many research workers are there actually? "I made a survey based on various facts and figures which are available," the Abitibi president said, "and I find that in 14 companies there are . . . 223 research workers, both graduates and technicians. Nearly 100 are employed by a single company in this group of 14." This, he added, verified to his own satisfaction the fact that research in the industry is quite undeveloped and is in fact barely beginning.

Why Research Has Lagged

There are several reasons why the industry's research efforts have lagged in the past. For one thing, only newsprint and pulp can enter the U. S. duty free, thus making it more difficult for producers to visualize markets for the new products to which extensive research might lead.

The industry's financial difficulties in the 'thirties (partly due to dependence on newsprint and pulp) left little money for research. War diverted manpower and electric power from pulp and paper production, hampered it with controls.

But there's nothing in the tariff setup, it is argued, to stop Canadian companies from establishing branch plants in the U. S. to make new products out of Canadian raw materials. U. S. companies have been coming to this country for years to obtain basic forest supplies. The main reason why Canadian producers haven't set up branch plants south of the border is, it is claimed, because very few of them have felt equal to the task of developing worthwhile products which would be saleable in the U. S. Lack of organized research is largely to blame for this state of affairs, says Mr. Ambridge.

On the financial side the picture is vastly improved over depression days, thanks to reasonably satisfactory earnings and a much lighter debt structure in recent years. Now's the time for pulp and paper companies to enter a phase in which research will play a paramount role; otherwise the full development of the forest wealth will not be brought about by Canadian brains and Canadian energy and outsiders will take the lead, it is argued.

Starting Points for Research

Where should research begin? Mr. Ambridge has lots of suggestions:

Wasted trees—millions of trees die each year from old age or disease or fire. Some are inaccessible, but most should not have perished. Research is needed to develop methods of saving them—new cures, new fire suppression methods, new uses for everything the forest grows instead of only the trees the industry can most easily use.

Waste liquors from chemical processes—usually disposed of, they carry away with them untold quantities of various materials which will some day be used. Sugars in the sulphite liquor are now being utilized in alcohol and yeast manufacture.

Bark—Mountains of bark are lying unused beside mills, yet in Europe bark is a valuable ingredient in a variety of products.

Lumber — Hundreds of small sawmills make lumber out of small logs, often waste 50% of the wood in the tree. Even the finished lumber itself is often wasted; on construction jobs, for instance, where lumber used for concrete forms is usually burned afterward as part of tidying up.

Other fields for research—Development of efficient mechanized equipment for woods operations, including thorough clean-up after well-planned cutting, in order to make use of the slash, leave behind best possible conditions of growth for young trees and seeds. Application of the latest developments in science to the paper-making process. New by-products.

Some Steps Under Way

What's being done about these problems? On an industry basis, one of the most important factors in pulp and paper research has been the Pulp and Paper Research Institute which is a co-operative venture founded in 1928 by the industry in conjunction with the Canadian Government and McGill University.

The Institute has about 20 senior staff men, about 30 post-graduate students and 20-25 other employees. Roughly 30% of its efforts are directed toward fundamental research—such things as the properties and organic structure of cellulose. Another 30% is devoted to developing ways of applying the lessons learned in the fundamental research; still another 30% to carrying out urgent projects in both these types.

The rest of the Institute's work consists largely of making tests for individual mills to help them straighten out unusual problems—usually tests requiring equipment not available in the mills. It even has a small pulp and paper mill in the basement of its building on the McGill campus, including grinders and chippers, beaters and digesters, and a paper machine.

Through its instrumentation research the Institute has helped industry improve its control equipment and has resulted in development of valuable new instruments. One of the best-known products of this branch of the industry's research is the freeness tester which samples the uniformity of the pulp, helps control operating conditions in pulp manufacture. Use of the freeness tester by industry has been an important factor in speeding up of paper machines, especially in newsprint mills, sometimes as much as 100%. It has also helped reduce the amount of wood used in making newsprint by 200 lb. per ton of newsprint, through lowering the proportion of sulphite pulp used with the groundwood to 10-15% compared with the former 25% or more.

Research in Forestry

In addition to its studies on manufacturing processes, the Institute operates a woodlands research division which, in the field and in the lab., investigates problems in forestry, forest management, silviculture, pulpwood cutting and skidding operations, types of logging, river drive, and the improvement of living and working conditions in the woods.

Important work is being carried on by individual companies within the industry as well. There are some notable examples of the benefits of some of the work already done, as indicated in another story in this issue dealing with the utilization of waste and by-products.

However, the contributions of the Institute and the various companies to research merely serve to underline the importance of further original work in the field, pulp and paper experts say.

R. M. Fowler, president of the Canadian Pulp and Paper Association, pointed out over a year ago that nearly all the fundamental research being done in the industry is conducted at the Research Institute, to which, until 1947, it gave $50,000 a year (now $100,000 or one-eightieth of 1% of the annual turnover).

"Canada needs great quantities of American goods," Mr. Fowler added. "The only way we can square our accounts and buy from the United States our essential requirements is to expand our exports.

"One way to increase the value of our exports is to make better products which will justify a higher price, and to develop new products. I believe that, by any test, our present research activities are seriously inadequate—inadequate for an industry of this size and inadequate to meet the probable developments of the future.

"Much has been done in this industry in fundamental studies of physical and cellulose chemistry and in the speed of machines . . . but this continent has lagged behind Europe in producing basic new scientific discoveries. We have been uniquely skilful in applying the ideas of others to practical use, but we have been relatively deficient in originating fundamental developments through abstract research and experimentation.

"I hope that we can move quickly to a development of more extensive fundame[illegible] research and follow it by gre[illegible] increased application to practical results in the individual mills."

We specialize in adhesives for heading, wrapping and banding newsprint rolls—making cores, sizing and finishing board.

COMPLETE SERVICE TO THE PAPER INDUSTRY

National ADHESIVES (CANADA) LTD.
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EVERY TYPE OF ADHESIVE FOR EVERY INDUSTRIAL USE

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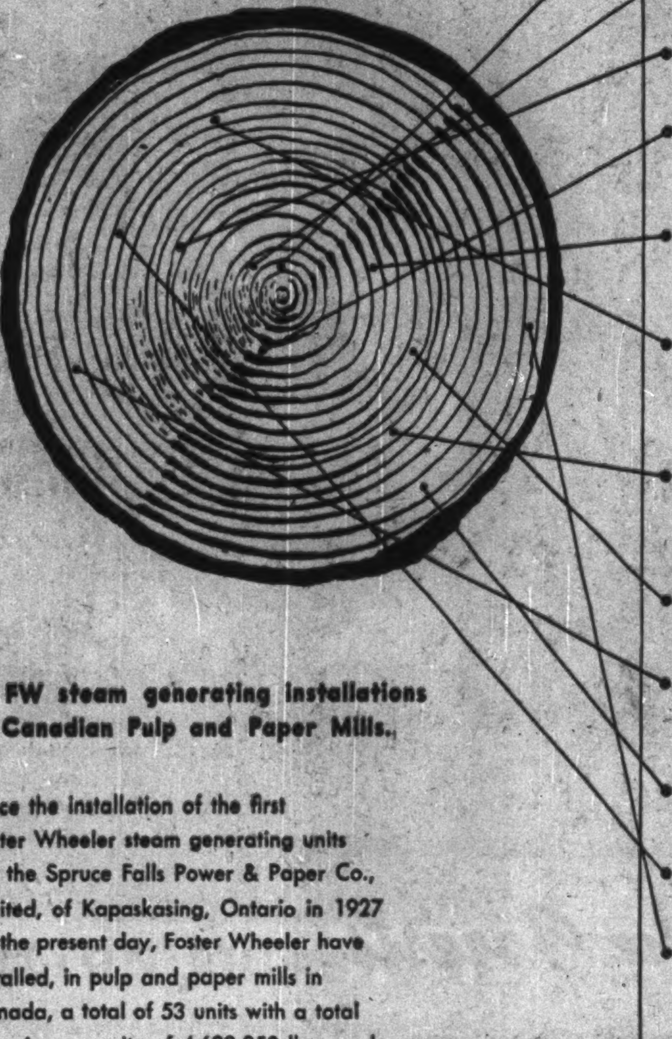


YOU CAN MEASURE THE GROWTH . . . .

of FW steam generating installations in Canadian Pulp and Paper Mills.

Since the installation of the first Foster Wheeler steam generating units for the Spruce Falls Power & Paper Co., Limited, of Kapaskasing, Ontario in 1927 till the present day, Foster Wheeler have installed, in pulp and paper mills in Canada, a total of 53 units with a total steaming capacity of 4,688,050 lbs. per hour or an average capacity of 88,500 lbs. per hour.

SPRUCE FALLS POWER & PAPER CO. LTD.
1927 — 4 — 101,000 lbs. per hr. Kidwell
Total 404,000 lbs. per hr.

MERSEY PAPER CO. LTD.
1930 — 3 — 58,000 lbs. per hr. Kidwell
Total 174,000 lbs. per hr.

CANADIAN INTERNATIONAL PAPER CO.
1930 — 4 — 136,500 lbs. per hr.
Total 546,000 lbs. per hr.

ANGLO-NEWFOUNDLAND DEVELOPMENT CO., LTD.
1930 — 3 — 175,000 lbs. per hr. Kidwell
1 — 126,000 lbs. per hr.
Total 525,000 lbs. per hr.

QUEBEC NORTH SHORE PAPER CO.
1936 — 2 — 90,000 lbs. per hr. 3 Drum F.W.
1946 — 1 — 90,000 lbs. per hr.
Total 270,000 lbs. per hr.

ONTARIO PAPER COMPANY LIMITED
1935 — 3 — 150,000 lbs. per hr. 3 Drums F.W.
1938 — 1 — 18,000 lbs. per hr. S.A.
1947 — 1 — 150,000 lbs. per hr. S.A.
Total 618,000 lbs. per hr.

BOWATER'S NEWFOUNDLAND PULP & PAPER MILLS LTD.
1940 — 2 — 80,000 lbs. per hr. S.A.
1946 — 3 — 100,000 lbs. per hr. S.A.
Total 460,000 lbs. per hr.

LONGLAC PULP & PAPER CO., LTD.
1946 — 2 — 85,000 lbs. per hr. Riley R.P.
Total 170,000 lbs. per hr.

PROVINCIAL PAPER LIMITED
1941 — 1 — 15,000 lbs. per hr. S.A.
1948 — 1 — 100,000 lbs. per hr. Riley R.P.
Total 115,000 lbs. per hr.

ABITIBI POWER & PAPER CO., LTD.
1948 — 1 — 140,000 lbs. per hr. Riley R.P.
Total 140,000 lbs. per hr.

COLUMBIA CELLULOSE CO., LTD.
1948 — 2 — 250,000 lbs. per hr. Riley R.P.
Total 500,000 lbs. per hr.

BEAVERWOOD FIBRE CO., LTD.
1949 — 2 — 60,000 lbs. per hr. S.A.
Total 120,000 lbs. per hr.

*In addition to 666,050 lbs. per hrs. in various other important mills.

FOSTER WHEELER LIMITED
ST. CATHARINES • MONTREAL • TORONTO • WINNIPEG FW-49-30

ST. LAWRENCE CORPORATION Limited

MILLS . . .
St. Lawrence Paper Mills Company Limited, Three Rivers, Que.
Lake St. John Power & Paper Company Limited, Dolbeau, Que.
Brompton Pulp & Paper Company Limited, East Angus & Bromptonville, Que.
Red Rock, Ont.

MANUFACTURERS OF . . .
Newsprint
Kraft Fibre and Specialty Papers
Boxboards, Shipping Case Materials
Unbleached Sulphite, Suplhate & Groundwood Pulps

ANNUAL CAPACITY ALL GRADES 500,000 TONS

HEAD OFFICE
SUN LIFE BUILDING, MONTREAL

Newsprint Output Sets New Records

(Continued from page 36)

the fleet was expanded by the acquisition of a canaller, and two lake barges and a tug for pulpwood hauling.

The Baie Comeau mill of Quebec North Shore Paper Co. produces 485 tons of newsprint a day and the pulp mill is capable of producing 100 tons of pulp per day. The Marlhill Mines Ltd., a wholly owned subsidiary of the Ontario Paper Co. operates a calcite plant with a capacity of 30 tons per day to supply the Baie Comeau mill with calcite for filler.

The Thorold plant manufactures alcohol from waste sulphite liquor, with annual output of around 750,000 gals. This quantity is absorbed by Canadian manufacturers of commercial products ranging from anti-freeze to pharmaceuticals. This process, making use of a by-product of the papermaking process, was originally installed in the Thorold plant during the war.

A new administration building at Thorold, Ont., provides head office facilities for the company, as well as recreational facilities for employees and a modern theatre. A research centre is also provided for fundamental research in pulp and paper and by-products of the pulping processes.

The company is just completing a major capital improvement program which has entailed the expenditure of around $20 millions since 1944 on its manufacturing, woods and other operations in both Quebec and Ontario. The program has improved the company's manufacturing position, and expanded its raw material base.

Financial and operating figures are not submitted for publication, as there is no direct public interest.

Pacific Mills

Pacific Mills Ltd., a subsidiary of Crown Zellerbach Corp. of the United States, operates pulp, paper and lumber mill at Ocean Falls, 310 miles southwest of Vancouver, and a paper converting plant in Vancouver. The mill at Ocean Falls converts all of its pulp production into paper. Annual pulp production is as follows: 63,000 tons groundwood, 27,000 tons sulphite, 25,000 tons kraft. Newsprint production from the above pulp approximates 87,000 tons per annum. The balance of production is made up of kraft and sulphite specialty papers.

Timber reserves are not revealed, but the company is presently working with the British Columbia Government to arrange a long range timber plan to place them on a perpetual yield basis.

Dollar volume of sales increased 18% in the year ended April 30, 1949, to $20,440,933 reflecting the benefit of price increases effective in the year. The volume was also higher as the result of bringing into operation the additional power facilities. However, during the last quarter of the year pulp prices fell and the company experienced a reduction in paper demand, indicating a downward trend for the near future, it was stated in the annual report.

Net profit for the year ended April 30, 1949, amounted $3,283,295, an increase of 32.1% from the previous year's $2,484,352. Per share earnings were equal to $164.26 on the preferred, and $10.64 common ($124.29 and $7.88).

Capital expenditure during the 1948-49 fiscal year amounted to $1,592,000. The principal items comprised the completion of the steam generator and turbine, the replacement of three kraft digesters, the installation of a hot acid accumulator, and the purchase of a new deep-sea tug.

Working capital improved to $8,420,778 from $5,913,769 at the end of the 1948 fiscal year. Inventories were substantially the same at $6,119,926. An amount of $500,000 has been placed to reserve for decline in inventory values.

Subsidiaries include Hudson Paper Co. Ltd., Winnipeg; Canadian Boxes Ltd., Vancouver, manufacturing corrugated shipping containers; Northern Pulpwood Ltd., Vancouver, engaged in logging; and Badwater Towing Co. Ltd., Vancouver, engaged in marine towing.

Powell River

Powell River Co. Ltd. is the largest producer of newsprint on the West Coast, and is a large producer of sulphite pulp and through its subsidiaries manufactures lumber and other wood products. Through wholly owned subsidiaries, the company has complete control of its production from the standing tree to the finished product.

The company operates at Powell River, approximately 80 miles north of Vancouver on the coast of British Columbia. Products are consumed principally in the United States, Canada, Australia, New Zealand, Hawaii, Alaska and the United Kingdom. In prewar years a valuable market was held in the Orient.

Consumption of wood runs at approximately 150 million board feet per annum. Available supply of wood consists of substantial purchases normally made on the open log market plus pulp leases, timber licenses and crown grants. Mild winters and open water throughout the year permit year-round logging operations and continuous delivery of logs to the mills. In view of this favorable condition inventories of pulpwood normally on hand are only such as are required for current use. This is an important factor in reducing the amount of capital required and in minimizing the risk of inventory losses through changes in market value. Powell River is on tidewater and is a regular port of call for Canadian Pacific Steamships, Canadian National Steamships, Vancouver Barge and the company subsidiary, Kingcome Navigation Co. Such accessible water transportation facilities are an important factor in reducing cost of delivery of the company's products, as the major portion of the ultimate consumers of its products can normally be served by water transportation.

The company owns or controls over 400,000 acres of high-grade standing timber estimated to contain approximately seven billion board feet. The timber limits are located along the north coastal area and the Queen Charlotte Islands and permit economical operations.

Hydro-electric developments consist of an installation of 53,100 hp at the Powell Lake watershed and an installation of 22,780 hp at the Lois River watershed adjacent to the mill. An additional 22,780 hp unit has been added at the Lois River plant. In addition the company owns an auxiliary steam power installation of 7,200 hp.

A fully equipped townsite is owned by the company at Powell River, including 430 homes, a department store, water and light systems, and hard-surfaced roads. An adequate labor supply is normally available from the town and surrounding villages.

Newsprint produced in 1948 amounted to 247,335 tons, an increase of 8,148 tons from 1947. Unbleached sulphite pulp output was 48,125 tons, up 4,206 tons from 1947. Sundry other products totaled 8,351 tons. Demand for the company's products exceeded production capacity in 1948, and the 1949 estimated newsprint production was sold under long-term contract.

The mill expansion program was completed in 1948 at a total cost of $11,900,000. Capital additions and improvements in 1948 included $4,507,013 for plant extension and development, $900,786 for logging equipment, development, timber, etc. The climax of the postwar expansion and development program was reached in September when the No. 8 newsprint machine came into production. No further plans are proposed for new major capital projects in 1949.

During the first half of 1949 newsprint machines operated at capacity, and production achievements were at new high levels. Demand for newsprint continues, and, although there are indications that supply and demand are reaching a balance, it is expected that the present high rate of production and shipments will be maintained for the balance of the year. Newsprint produced in the first six months of 1949 amounted to 141,207 tons, an increase of 21,064 tons over the 1948 period. Unbleached sulphite pulp was 18,828 tons, a decline of 5,770 tons, and sundry other products totaled 1,232 tons, down 519 tons. Demand for unbleached sulphite has declined and a substantial reduction in price has taken place since the first of the year. It has been necessary to curtail operation of the pulp plant as shipments during 1949 are not expected to exceed 80% of production capacity.

Working capital position continues to be satisfactory and at June 30, 1949, showed a substantial increase over that of $7,885,170 reported at Dec. 31, 1948.

Net profit for the first six months amounted to $3,538,527 ($3,400,086) equal to $2.63 per share ($2.53).

Price Bros.

Price Bros. & Co. Ltd. manufactures newsprint, unbleached sulphite and groundwood pulp, paperboard and other paper specialties, sawn lumber and other timber products such as shingles, ties, laths, etc.

Two newsprint mills are operated with necessary pulp manufacturing equipment, having a combined annual capacity of approximately 425,000 tons of newsprint. The larger mill, at Kenogami, Quebec, about 120 miles north of Quebec City, has annual capacity of 225,000 tons. The other mill at Riverbend, about 23 miles from Kenogami, has an annual capacity of 200,000 tons. The Kenogami mill is also equipped with a cardboard and wrapping paper machine which has a capacity of 17,000 tons per annum. Products from this machine include mill wrappers, screenings, board, pulpwood, egg case filler board and imitation leather board. The Riverbend mill, in addition to standard newsprint, produces special vacuum dried newsprint.

The company also owns and operates three sawmills on the south shore of the St. Lawrence River at Rimouski, Matane and Priceville, with a combined annual capacity of about 90 million feet board measure plus unlimited amount of pulpwood. A new sawmill is under construction at Priceville to replace the old mill destroyed by fire in the spring of 1948. A box factory with annual capacity of 1 million boxes is located at Rimouski.

Price Bros. also operates under lease the Jonquiere Pulp Company's cardboard and specialty plant with 30,000 tons annual capacity.

In its own right or through subsidiaries, the company owns and controls approximately 7,574 square miles of leasehold crown land and 186 square miles of freehold land. The major portion of this timber area is located on watersheds tributary to its principal plants on the Saguenay and St. Lawrence Rivers. Areas tributary to the company's mills and from which pulpwood can be delivered at relatively low cost were estimated in February, 1937, to contain a sufficient supply for operation of the mills at their present capacities for more than 60 years without allowance for regeneration.

The company has six developed water powers with an aggregate of 73,190 hp and two undeveloped water powers on the Shipshaw River with a potential capacity of about 60,000 hp. An additional 40,000 hp annually is obtained under contract from the Saguenay Power Co.

Operations in the year ended Dec. 31, 1948 resulted in the highest output in the company's history and an increase in operating profit to $15,186,550 from $14,209,225 for the previous year. Net profit for the year was 30% higher at $7,986,717 ($6,118,897) equal to $159.73 per share preferred stock and $14.21 on the common ($122.38 and $10.80).

Working capital at Dec. 31, 1948 increased substantially to $24,224,178 from $19,013,999 at the end of 1947. Cash jumped to $2,102,553 from $394,893 and inventories to $22,334,857 from $19,872,346. Pulpwood stocks accounted almost wholly for the increase in inventories during 1948, the President stated in the annual report. It was expected that these would be reduced by the end of 1949. A bank loan of $310,000 outstanding in 1947 was paid off in 1948. Contingency reserve was increased by $1,500,000 in 1948 primarily to cover possible decline in inventory values. Total reserve amounted to $3,000,000 at Dec. 31, 1948.

First quarter earnings in 1949 were reported to be satisfactory but there were indications that the current year would be more difficult. Some reduction in earnings is anticipated in 1949 chiefly in the lumber and boxboard division, it was stated at the annual meeting.

Outstanding funded debt amounts to $8,335,000, 3¼% first mortgage bonds. Capital stock consists of $5,000,000 4% cumulative, redeemable preferred stock, $100 par and $547,857 shares common stock, no par value.

Que. North Shore

Quebec North Shore Paper Co., a wholly-owned subsidiary of the Ontario Paper Co. Ltd., Thorold, Ont., operates an up-to-date newsprint mill at Baie Comeau, Que. This mill, constructed in 1938, was the first major industrial enterprise established on the lower St. Lawrence North Shore and required complete townsite, power, mill and woods development. This is in the general area in which the titanium ore and iron ore developments are now occurring.

The mill produces about 485 tons of newsprint daily with pulpwood being supplied from the extensive timber lands at Baie Comeau. The majority of the paper output is contracted for by the New York Daily News and the remainder by the Chicago Tribune.

The new pulp plant, adjacent to the newsprint mill, went into production in 1947 and is capable of turning out 100 tons of saleable pulp daily. The power plant on the Outardes River has a capacity of 77,000 hp and supplies all mill power requirements and lighting facilities in the town of Baie Comeau. The company properties in the townsite are operated by the Baie Comeau Co., a subsidiary of the Quebec North Shore Paper Co. A grinding plant at Baie Comeau grinds calcite rock obtained from Marhill Mines for a filler to improve the quality of newsprint.

Individual financial and operating statements are not submitted for publication as there is no direct public interest in the company.

St. Lawrence Corp.

St. Lawrence Corp. Ltd. is a holding company controlling three subsidiaries which manufacture newsprint, kraft and boxboard and produce, in addition, groundwood pulp, sulphite pulp and sulphate pulp. The subsidiaries are St. Lawrence Paper Mills Co. Ltd. which, in turn controls Lake St. John Power & Paper Co. Ltd., and Brompton Pulp & Paper Co. Ltd.

During 1948 capital reorganization was effected resulting in new capitalization as follows: $264,401 first preferred shares, $49 par, $2 dividend per annum; 249,750 second preferred shares, $1 par, 75c. dividend per annum; and 582,593 common shares, no par value. A secured $300,000 3½% debenture note due Jan. 1, 1951, is also outstanding. By means of this reorganization dividend arrears were eliminated on all stocks with cash payments setting balance of arrears.

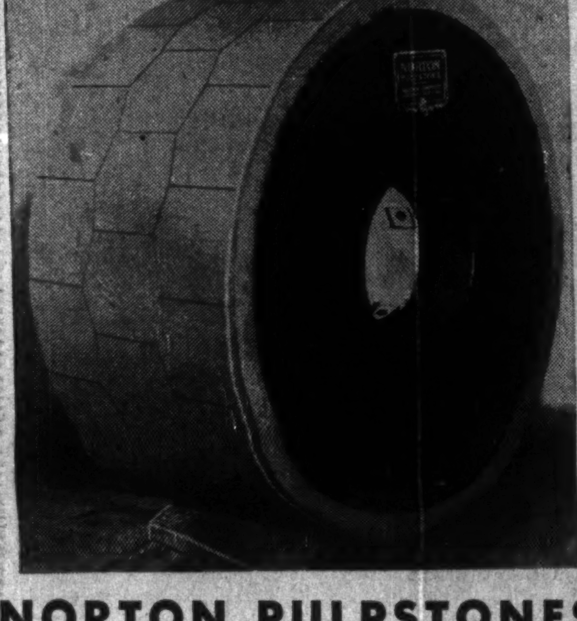
Income of St. Lawrence Corp. is derived entirely from dividends from Brompton Pulp and Paper Co. and St. Lawrence Paper Mills Co. which totaled $1,442,288 in 1948.

Production of the corporation's three subsidiaries in 1948 was the largest since incorporation and earnings of the subsidiary companies exceeded those of 1947. Net profit in 1948 totaled $1,249,569, equal to $4.73 per first preferred share, $3.00 per second preferred and 3c per common share after allowing for sinking fund on the second preferred. Consolidated statement showed net profit of $5,480,244, equal to $13.05 first preferred, $12.13 on the second preferred and $1.92 on the common. Comparable figures are not available for previous years but income of St. Lawrence Corp. in 1947 was derived solely from the Brompton dividends which amounted to $229,054 compared with $929,120 in 1948.

Due to improvement effected at the mills of St. Lawrence Paper Mills Co. and Lake St. John Power & Paper Co. the companies can look forward to increased efficiency at lower cost, it was stated in April. It was also indicated that no problems were anticipated in respect to sales of newsprint and kraft but that the outlook for sulphite was less promising since customers were not buying as heavily. Increased prices for products accounted for a substantial portion of the increase in earnings in 1948 but the greater part of the improvement was due to greater efficiency, increased output and cost relationship, it was pointed out.

Consolidated net operating profit for the first six months of 1949 amounted to $2,082,325 compared with $2,750,132 for the like

(Continued on page 51)



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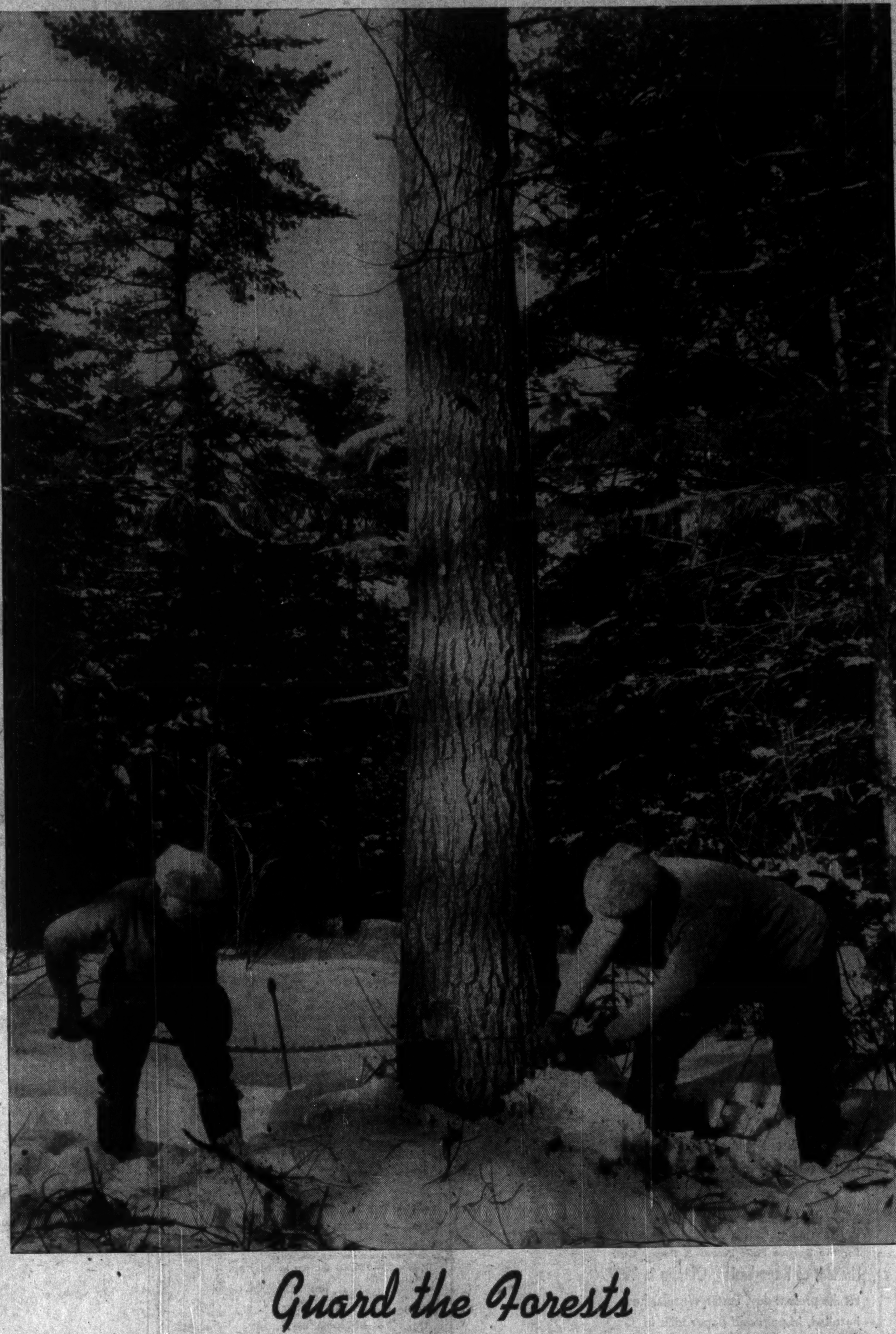

Guard the Forests

Here is a Tree—seventy years in the growing and in the replacing.

Canada's timber resources are an immense asset but only in perpetuity as all combine to adopt and to maintain wise policies of conservation, cutting, fire and pest prevention.

The future of many vital industries, communities, employment, and the preservation of wild life are dependent on the forests. Continual accessibility of cutting areas is a key factor in costs.

Guard well then the forests—one of the greatest single factors in Canada's future.

CANADIAN INTERNATIONAL PAPER COMPANY

The Financial Post

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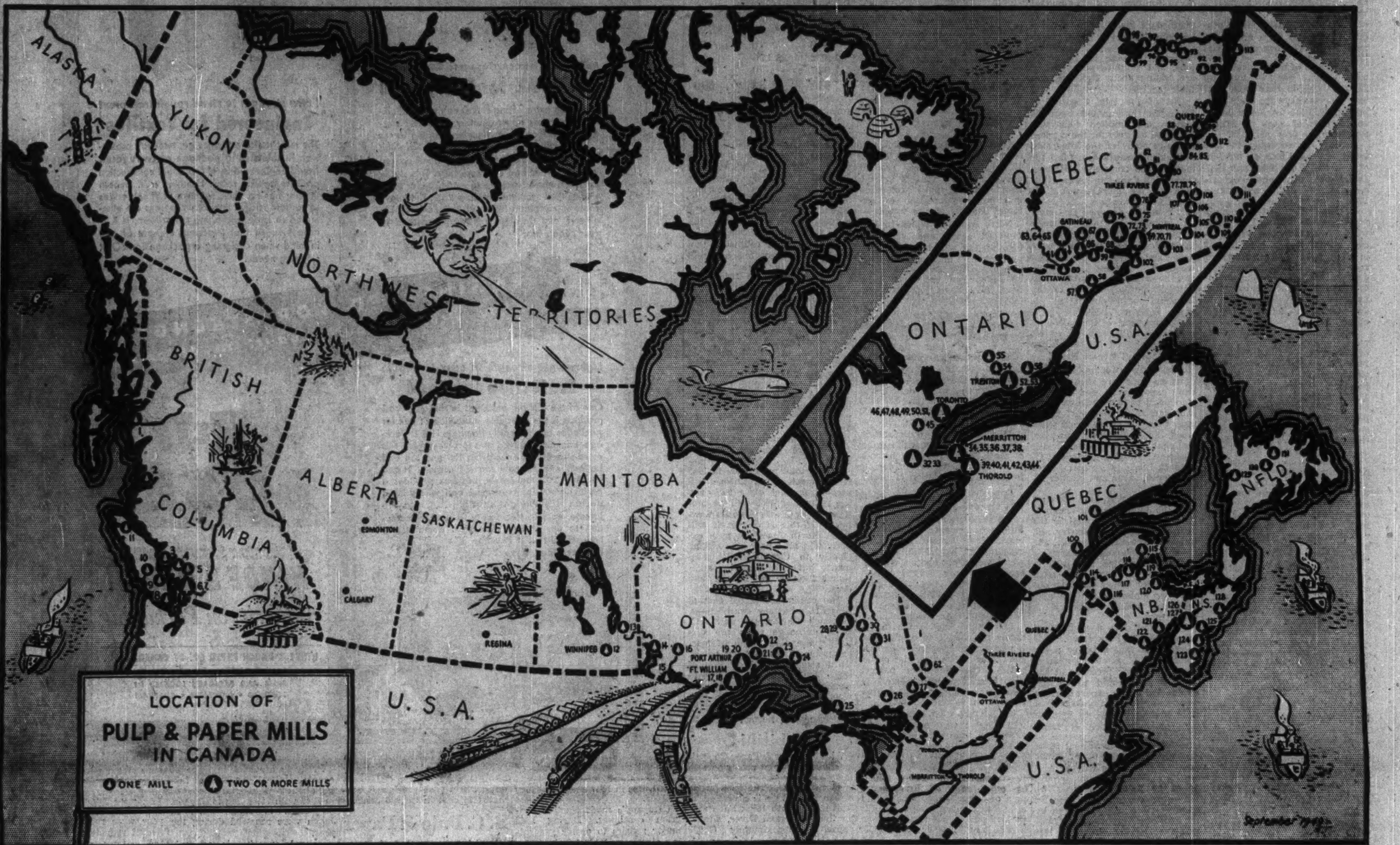
Where Canada's 131 Pulp and Paper Mills Are Located



Following is the list of pulp and paper mills shown in the map above. The most complete list yet compiled, it includes all companies which make pulp, make paper from pulp or do both. It does not include converters who make products from paper only, although it does include some companies who purchase pulp to be used as part of end products such as building materials. Numbers in list correspond to numbers on map.

British Columbia
1. Columbia Cellulose Co., Prince Rupert.
2. Pacific Mills Ltd., Ocean Falls.
3. Powell River Co., Powell River.
4. Sorg Pulp Co., Port Mellon.
5. British Columbia Pulp & Paper Co., Woodfibre.
6. Westminster Paper Co., New Westminster.
7. Canadian Forest Products, New Westminster.
8. Sidney Roofing & Paper Co., Victoria.
9. Nanaimo Sulphate Pulp Ltd., Nanaimo.
10. Bloedel, Stewart & Welch Ltd., Port Alberni.
11. British Columbia Pulp & Paper Co., Port Alice.

Manitoba
12. Building Products Ltd., Winnipeg.
13. Manitoba Paper Co., Pine Falls.

Ontario
14. Ontario-Minnesota Pulp & Paper Co., Kenora.
15. Ontario-Minnesota Pulp & Paper Co., Fort Frances.
16. Dryden Paper Co., Dryden.
17. Great Lakes Paper Co., Fort William.
18. Abitibi Power & Paper Co., Ltd., Fort William.
19. Provincial Paper Ltd., Port Arthur.
20. Thunder Bay Paper Co., Port Arthur.
21. Brompton Pulp & Paper Co., Red Rock.
22. Nipigon Corp. Ltd., Nipigon.
23. Long Lac Pulp & Paper Co., Terrace Bay.
24. Marathon Paper Mills of Canada, Marathon.
25. Abitibi Power & Paper Co., Sault Ste. Marie.
26. The KVP Company, Espanola.
27. Abitibi Power & Paper Co., Sturgeon Falls.
28. Spruce Falls Power & Paper Co., Kapuskasing.
29. Kimberly-Clark Corp. of Canada, Kapuskasing.
30. Abitibi Power & Paper Co., Smooth Rock Falls.
31. Abitibi Power & Paper Co., Iroquois Falls.
32. Sonoco Products Co. of Canada, Brantford.
33. Hawley Products Canada Ltd., Brantford.
34. Garden City Paper Mills Co., Merritton.
35. Alliance Paper Mills Ltd., Lybster Mill, Merritton.
36. Alliance Paper Mills, Ltd., Lincoln Mill, Merritton.
37. Interlake Tissue Mills Co., Ltd., Merritton.
38. Canadian Vegetable Parchment Co., Merritton.
39. Beaver Wood Fibre Co., Thorold.
40. Ontario Paper Co., Thorold.
41. Brantford Felt & Paper Co., Thorold.
42. Provincial Paper Ltd., Thorold.
43. Thorold Pulp Co., Thorold.
44. Welland Pulp Products Ltd., Thorold.
45. Alliance Paper Mills Ltd., Georgetown.
46. Acme Paper Products Ltd., Toronto.
47. Dominion Cellulose Ltd., Toronto.
48. Don Valley Paper Co., Toronto.
49. Gair Co. (Canada) Ltd., Toronto.
50. Gair Co. (Canada) Ltd., Toronto.
51. Hinde & Dauch Paper Co. of Canada Ltd., Toronto.
52. Hinde & Dauch Paper Co. of Canada Ltd., Trenton.
53. Miller Bros. Co., Trenton.
54. Gair Co. (Canada) Ltd., Frankford.
55. Gair Co. (Canada) Ltd., Campbellford.
56. Strathcona Paper Co., Strathcona.
57. Provincial Paper Ltd., Mille Roches.
58. Howard Smith Paper Mills Ltd., Cornwall.
59. Canadian International Paper Co., Hawkesbury.
60. E. B. Eddy Co., Ottawa.

Quebec (North of St. Lawrence)
61. E. B. Eddy Co., Hull.
62. Canadian International Paper Co., Temiskaming.
63. Canadian International Paper Co., Gatineau.
64. International Fibre Board Ltd., Gatineau.
65. Masonite Co. of Canada Ltd., Gatineau.
66. James MacLaren Co., Masson.
67. James MacLaren Co., Buckingham.
68. J. C. Wilson Ltd., Lachute.
69. Back River Power Co., Montreal.
70. Gair Co. (Canada) Ltd., Montreal.
71. Building Products Ltd., Montreal.
72. Rolland Paper Co. Ltd., St. Jerome.
73. J. C. Wilson Ltd., St. Jerome.
74. Rolland Paper Co. Ltd., Mont Rolland.
75. Howard Smith Paper Mills Ltd., Crabtree Mills.
76. Barrett Co., Ltd., Joliette.
77. Consolidated Paper Corp., Three Rivers.
78. St. Lawrence Paper Mills Co., Three Rivers.
79. Canadian International Paper Co., Three Rivers.
80. Consolidated Paper Corp., Cap de la Madeleine.
81. Consolidated Paper Corp., Shawinigan Falls.
82. Consolidated Paper Corp., Grand'Mère.
83. Brown Corp., La Tuque.
84. Bishop Asphalt Papers Ltd., Portneuf.
85. J. Ford & Co., Ltd., Portneuf.
86. Donnacona Paper Co., Donnacona.
87. Building Products Ltd., Pont Rouge.
88. St. Raymond Paper Ltd., St. Raymond.
89. Anglo-Canadian Pulp & Paper Mills Ltd., Quebec.
90. St. Anne Paper Co. Ltd., Beaupré.
91. Donohue Brothers Ltd., La Malbaie.
92. Nairn Falls Pulp Co., Clermont.
93. Consolidated Paper Corp., Port Alfred.
94. Quebec Pulp & Paper Corp., Chicoutimi (2 mills, idle).
95. Price Brothers & Co., Kénogami.
96. Price Brothers & Co., Jonquière.
97. Price Brothers & Co., Riverbend.
98. Lake St. John Power & Paper Co., Dolbeau.
99. St. Raymond Paper Ltd., Desbiens.
100. Quebec North Shore Paper Co., Baie Comeau.
101. Gulf Pulp & Paper Co., Clarke City.

Quebec (South of St. Lawrence)
102. Howard Smith Paper Mills Ltd., Beauharnois.
103. Bennett Ltd., Chambly Canton.
104. Brompton Pulp & Paper Co., Bromptonville.
105. Canada Paper Co., Windsor Mills.
106. Lotbinière Pulp & Paper Co., Danville.
107. Dominion Paper Co., Kingsey Falls.
108. Canadian Johns-Manville Co., Asbestos.
109. Philip Carey Co., Lennoxville.
110. Brompton Pulp & Paper Co., East Angus.
111. Lake Megantic Pulp Co., Lake Megantic.
112. John Breakey, Breakeyville.
113. Mohawk Corp. Ltd., Rivière-du-Loup.
114. F. Flo, Soucy Enreg., Chemin du Lac.
115. Gaspesia Sulphite Co., Chandler.

New Brunswick
116. Fraser Companies Ltd., Edmundston.
117. Restigouche Co., Atholville.
118. New Brunswick International Paper Co., Dalhousie.
119. Bathurst Power & Paper Co., Bathurst.
120. Fraser Companies Ltd., Newcastle.
121. Saint John Sulphite Ltd., Saint John.
122. St. George Pulp & Paper Co., St. George.

Nova Scotia
123. Mersey Paper Co., Liverpool.
124. Nova Scotia Wood Pulp & Paper Co., Charleston.
125. La Have Pulp Co., New Germany.
126. Minas Basin Pulp & Power Co., Hansport.
127. Canadian Keyes Fibre Co., Hantsport.
128. Halifax Power & Pulp Co., Sheet Harbour.

Newfoundland
129. Bowater's Newfoundland Pulp & Paper Mills Ltd., Corner Brook.
130. Anglo-Newfoundland Development Co., Bishop's Falls.
131. Anglo-Newfoundland Development Co., Grand Falls.

How FAO Sees World Pulp Picture

Despite 1948 Record, 5 Million Tons Production Unused

With the world market for wood pulp beginning to show signs of at least temporary saturation, what is the world situation today and the outlook for the industry? In Montreal last April, representatives of 31 governments met under sponsorship of the UN's Food and Agriculture Organization to find out and submit a report. Following is a digest of the first report of the Preparatory Conference on World Pulp problems:

General Summary: estimates show approximate equilibrium between world production and requirements for 1948 to 1955. If these figures are confirmed by subsequent developments there should be no major wood pulp surplus or deficit in this period.

The war has brought about a major change in the distribution of pulp production and pulp consumption as between different regions of the world. North America, which in 1937 produced 44% and consumed 51% of the world output, now produces 68% and consumes 71%. The production and consumption of Europe, on the other hand, have fallen from 50% and 42% respectively in 1937, to 27% and 25% in 1948.

Although 1948 production was the highest on record, it was estimated that there was in existence, unused pulp producing capacity to the extent of 4.3 million tons in Europe and of more than one million tons in other parts of the world, mainly in Japan. At the same time a large amount of new capacity was building or planned.

Short Term Situation: World production in 1948 was three million tons higher than in 1937, the best prewar year. This was slightly in excess of current consumption. Although the apparent world surplus was less than three per cent of production and may be due to statistical inaccuracies, it tends to explain the recent decline in prices, accumulation of stocks and the difficulties encountered by producers in disposing of their pulp.

Estimates for 1949 and 1950 indicate a rapid restoration of equilibrium. World pulp requirements for 1949 are expected to exceed last year's consumption by 1.2 million tons, while world production will only increase by 500,000 tons. For 1950 a further rise in requirements by 2.5 million tons is anticipated which would exceed current production by 500,000 tons. If these forecasts are confirmed by subsequent events there might be a slight deficit by the end of 1950.

These world trends may be accompanied by certain shifts in the geographical distribution of production and consumption. Despite capacity increases, North America's output in 1949 is expected, for economic reasons, to remain almost 600,000 tons below the previous year; this reduction would be offset by a projected increase in European production of 850,000 tons. In 1950 European production is expected to expand by another 600,000 tons and North American production by 1.3 million tons.

It is expected that European requirements will show a very much quicker expansion than European production, with the result that Europe's net surplus available for export from current production of wood pulp would decline from 1.2 million tons in 1948 to 700,000 tons in 1949 to some 300,000 tons in 1950.

In North America, market pulp requirements are likely to continue on a somewhat higher level than production. It is possible, however, that some of the resulting net import requirements may be met from accumulated stocks; it should further be remembered that North American requirements are calculated on the assumption of full employment and other economic conditions which may not occur.

It should be understood that these figures refer to net balances and do not indicate actual imports or exports. Indeed, in the case of North America, it is estimated that actual pulp imports from Europe might be in the order of 300,000 to 500,000 tons in both 1949 and 1950, while at the same time total North American overseas exports might be in the order of 250,000 tons, or at about the same level as in 1947 and 1948. This suggests that no substantial quantities of North American pulp will be offered to the traditional markets for European pulp and that the fears of European producers in that connection are unfounded.

It should be stressed that the temporary surplus at the end of 1948 referred only to effective demand, and shortage of paper and other pulp products. Although the lack of purchasing power and currency restrictions which accounted for this situation are likely to continue, reductions in the prices of pulps and larger available supplies should, in the near future, somewhat ease the acute shortage of newsprint and other papers in war affected regions.

Long-Term Outlook: The Conference devoted considerable attention to the prospective wood pulp situation in 1955 and even attempted to make certain estimates which are summarized by regions in the various tables of this report. These figures should be considered with extreme caution, not only in view of their tentative nature, but because only a limited number of countries was prepared to present estimates.

Consumer Needs: Without attempting an assessment of consumer needs for paper and other pulp products, the Conference felt that the trend of pulp requirements for the period 1948-1955 (see accompanying table) appears adequate to cover the needs of consumers in different parts of the world in terms of effective demand and purchasing capacity. It appears unlikely that substantially larger amounts of paper and other pulp products could be imported and bought even if they were available. On the other hand, the Conference was not certain whether pulp production in 1955 would actually reach the projected levels, mainly on account of raw material shortages in Europe and Japan.

Production and Requirements: In addition to the general reservations that apply to all forecasts of requirements, estimates of wood pulp requirements in 1955 call for further qualification. It should be remembered that a number of less developed countries are about to set up their own pulp industries which would supply local paper mills which hitherto had to import all their wood pulp from Europe and North America.

These tendencies, while perhaps inevitable, may endanger the continued existence of converting industries in a number of pulp importing countries and calls attention to the danger of any expansion of pulp converting industries in countries which do not have an assured and continuous supply of pulp from domestic or nearby sources.

With due consideration to the preceding qualifications, indications are that pulp requirements in 1955 will be roughly 10 million tons or almost 40% higher than in 1948. This increase at an annual rate of almost 6% is indeed very substantial, especially when compared to an increase of only 3.3 million tons or 15% between 1937 and 1948, corresponding to an annual expansion of 1½%. It is true that the past 11 years have been disturbed by a world war, whereas the forecasts for 1955 assume a period of peaceful expansion.

Estimates show approximate equilibrium between world production and requirements for 1948 to 1955. If these figures are confirmed by subsequent developments there should be no major wood pulp surplus or deficit during the period under review.

Estimates indicate a change in Europe's position in the world pulp picture. Before the war this continent was the major source of wood pulp exports to the rest of the world with a net export of roughly 2.5 million tons. At present, Europe is still a net exporter of wood pulp although on a smaller scale but by 1955 would be in excess of European production.

Soviet Russia's output is tentatively estimated at 200,000 tons for 1955. This is a cautious estimate and a substantially larger supply might be forthcoming.

Between 1948 and 1955, North America's wood pulp requirements show an increase of 4.5 million tons or 23% compared to an estimated 80% increase for Europe and even larger proportional increases for Oceania, Asia and Latin America.

In 1955 world pulp consump-

(continued on page 51)

Lower Exports Cut Woodpulp Output

Higher Newsprint Production Will Help Mills During 1949

Canada's pulp mills established new production records in 1948 with an output of 7,425,600 tons of woodpulp. Last year's production was up 5.3% or 373,200 tons from 1947 when output was 7,052,400 tons.

Production of mechanical wood pulp totaled 4,392,000 tons, up 2.6% or 111,600 tons from 1947 while chemical wood pulp output at 3,033,600 tons represented an increase of 9.4% or 262,800 tons over the previous year.

Exports of woodpulp in 1948 totaled 1,797,600 tons, an increase of 6.7% or 100,800 tons from 1947. Dollar value of woodpulp exports compared to $177.8 millions in 1947.

It is likely that woodpulp production in 1949 will be somewhat lower than last year's record output, due to a falling off in the export market. However, the increase in newsprint production this year means an increase in mechanical and sulphite pulp production which will to some extent offset the drop in other grades.

Dollar value of woodpulp exports in the first five months of 1949 was down approximately 14% from last year. Exports of woodpulp to United States in the first six months was down 29.2% from last year — from 831,000 tons to 513,000 tons. Sulphite pulp exports dropped 39%, sulphate was off 21.9% and mechanical pulp down about 6.3%.

Improvement Seen

This decline in the sale of surplus pulp has been accompanied by substantial decline in prices as well as shown in the table elsewhere in this issue. Third quarter contract prices for pulp in U. S. were 6% to 20% lower than the previous quarter and in most cases full freight is allowed.

While the U. S. market for Canadian woodpulp remains relatively quiet with prices at new lows for the postwar period many in the industry anticipate greater demand and firmer prices over the next few months. Market surveys indicate, however, that for the present at least there is an adequate supply of all grades of pulp with unbleached chemical pulp in surplus.

Demand for market pulp was down approximately 19% in the first two quarters of 1949 while actual purchases have declined by 31%. The difference between these two represents a reduction in inventories. Stocks of market pulp have declined steadily over the past year and reached the lowest point in 1947 in June of this year. At the end of 1948 stocks of market pulp were sufficient for 70 days' operation while at the end of June they were equal to only 36 days. Thus it is reasoned that inventories are reaching a minimum level.

Non-integrated mills (paper mills which do not manufacture their own pulp) during the first half of 1949 drew down about 70,000 tons from inventory, a quantity sufficient for about two weeks' operation. During the same period stocks on hand dropped from a total sufficient for 66 days on Dec. 31 to only 45 days' at mid year.

Inventories Decline

There has been also a steady decrease in wood pulp inventories in all paper and board mills. At the end of June this drop was 20% below the total at the end of 1948. One reason for this decline has been the hesitancy on the part of paper manufacturers to do any forward buying in the present declining market. Thus to some extent the drop in prices has contributed to still further drop in demand with still lower prices. With plenty of pulp available, paper manufacturers see no reason to carry big stocks on their own shelves and in addition are waiting to see if there will be another round of price reductions.

Canada which is currently furnishing about 84% of the U. S. imported pulp requirements is naturally vitally affected by the U. S. market Some mills have reduced production schedules temporarily at least. There is also some speculation with respect to the U. K. dollar cutback on Canadian pulp imports and indirectly on the price of Canadian pulp to U. S.

While U. K. has indicated that existing contracts will be honored there is still the problem of what to do with the surplus thus made available. One large Newfoundland producer has stated that its sulphite mill may have to close at the end of this year. Although Canadian pulp shipments to U. K. are only a small portion of its total exports—less than 10%—the backing up of even a portion of this pulp may drive prices down still farther.

Expansion Continues

As with newsprint it is apparent that the important Canadian market for surplus pulp will be in U. S. for many years. And on the long-term basis the Canadian pulp industry shows every indication of continuing expansion. Three new mills were brought into production in 1948 and three additional mills are projected for completion in 1950.

Total annual woodpulp capacity at Jan. 1, 1949 was 8.9 million tons and it is anticipated that this will be increased by approximately 160,000 during this year bringing total capacity up to 9 million tons. The biggest single increase in capacity is planned in the sulphate division which will have a boost of 64,870 tons this year. Groundwood capacity is going up by 50,000 tons, and sulphite pulp makers are adding about 20,000 tons to their facilities.

Out of the total capacity of 8.9 million tons in 1949 approximately one million tons was produced entirely for the market. Actually many of the integrated mills also manufacture pulp for market sale and it is estimated that total Canadian pulp available for the market would be about 1.5 million tons.

It could be assumed that such an increase in pulp capacity would result in a corresponding increase in the manufacture of paper and other end-products of woodpulp. Present indications are, however, that Canada will not get the full benefit of the increased pulp output in its paper industry. With very few exceptions most of the new pulp production will go to the export market.

Important Export Item

Admittedly woodpulp represents an important item in Canada's export trade; and from the standpoint of the whole economy it is preferable to export woodpulp than the unprocessed pulpwood. Some observers, however, feel that it would be better still if Canada could keep more of its pulp at home to support bigger fine paper, rayon and plastics industries.

Others, however, hold the view that the building of a chemical pulp industry augurs well for the future of both the industry and Canada. Actually, they say, the chemical woodpulp industry is just nicely started and it is to this country's benefit to have the capacity which can turn out the raw materials for the new products which chemistry is producing.

This view has a number of sound facts to back it up. It is pointed out that a larger paper industry in Canada making converted paper products at the present time could prove uneconomical unless export markets were assured. Equally important it is said is the world demand for woodpulp which is being dammed back only because of currency and international trade difficulties. Thus under freer conditions of trade Canada can use its expanding chemical pulp industry to advantage.

At a preparatory conference in Montreal this year sponsored by the Food and Agricultural Organization of United Nations it was stated that world needs for pulp products are far greater than existing supplies. But physical limitations as well as the economic and financial problems connected with distribution stand in the way.

Conference estimates showed that approximate equilibrium between world production and requirements existed for 1948 to 1955. But the war has brought about a major change in the distribution of pulp production and pulp consumption in different regions of the world.

World Pulp Figures

Here's a comparison of Canada's production, imports and exports of wood pulp with other major producers of Canada's production, imports and exports of wood pulp in 1948:

000's of short tons

	Production	Imports	Exports
Canada	7,634	33	1,798
Newfoundland	468	0	51
United States	12,872	2,176	94
Finland	1,847	0	958
Norway	911	32	390
Sweden	3,266	not available	1,856

North America, which in 1937 produced 44% and consumed 51% of the world output, now produces 68% and consumes 71%. The production and consumption of Europe on the other hand have fallen from 50% and 42% in 1937 to 27% and 25% in 1948.

Seven Year Deficit

While the FAO conference forecast was hedged with a number of "ifs" and "buts" the figures presented showed that demand would run ahead of supply for the next seven years. For 1949 the world deficit was set at 80,000 metric tons, for 1950 at 515,000 tons and 1955, 970,000 tons.

It was pointed out that in 1948 there was a world surplus of some 635,000 tons which tended to explain the recent decline in prices, accumulation of stocks, etc.

In 1949 and 1950 the experts said that estimates indicate a rapid restoration of equilibrium. Pulp requirements for 1949 are expected to exceed last year's consumption by 1.2 million tons while world production will increase by only 500,000 tons.

In assessing the short-term outlook for 1949-50 the pulp men arrived at their conclusions on the basis of these assumptions:

(a) North American requirements are calculated on full employment and other economic conditions which may not occur.

(b) North American market pulp requirements are likely to continue on a somewhat higher level than production and

(c) European requirements will show a very much quicker expansion than production.

An interesting picture of world surplus or deficit of woodpulp was drawn up by the conference. It was shown that Europe, which in 1949 is expected to have surplus of some 700,000 tons would only have 290,000 tons surplus in 1950 and would actually have a deficit of 530,000 tons in 1955. This would indicate that in a comparatively short period Europe will change from an exporter to an importer of woodpulp.

Over the same period North America is expected to improve its position as a pulp importer. In 1949 it is estimated the deficit for North America will be 445,000 tons with a jump up to 490,000 tons in 1950. This estimate for 1949 is not likely to hold up since there is now a surplus rather than a deficit of pulp. By 1955 it was estimated that the deficit in North America will have dropped to 230,000 tons.

By 1955 it is estimated that world pulp requirements will be roughly 10 million tons or 40% higher than in 1948. This increase, at an annual rate of almost 6% is more than three times the rate of increase between 1937 and 1948 when requirements rose only 15% or an annual expansion of 1½%.

Looking at world trade in woodpulp the FAO conference estimates indicated a gradual expansion of world pulp trade. In 1949 and 1950 it is expected total exports will stay at about 80% of prewar. (Exports in 1948 were around 70% of prewar.) By 1955 exports should exceed the 1937 figure (prewar high) by some 10%.

Of the total pulp trade in 1955 it is expected that Europe will account for not quite 60% and the remaining 40% will be contributed by North American exports. If this is correct it will mean North American pulp exports will no longer be confined chiefly to Canada-U. S. shipments but will comprise additional tonnage to Europe and Asia.

The conference stated that at present monetary restrictions, currency fluctuations and artificial exchange rates are distorting the distribution of market pulps throughout the world. Until some over-all solution of these factors is achieved both producers and consumers of woodpulp everywhere face constantly changing conditions which interfere with normal trade.

Abitibi

Abitibi Power & Paper Co., primarily a newsprint producer, also turns out an important part of Ontario's sulphite. The high-grade bleached sulphite is produced at Abitibi's Smooth Rock Falls mill on the Mattagami River, annual capacity approximately 63,000 tons. Unbleached sulphite pulp is produced at the Sault Ste. Marie plant (33,000 tons), and at the Beaupré mill (6,200 tons).

Total production of bleached sulphite pulp in 1948 amounted to 66,987 tons compared with 65,369 tons in 1947, 67,090 tons in 1946, and 63,128 tons in 1945. Unbleached sulphite pulp produced in 1948 totaled 39,742 tons against 38,031 tons in 1947 and 28,294 tons in 1946.

Company's modernization program continues. During 1948 major repairs to power generating station and electrical system were completed and renovation of the screen rooms will be completed this year.

For its Smooth Rock Falls operation company controls concessions and limits on 841 square miles of timber lands on the Mattagami River, estimated to contain 2,865,000 cords. The company also holds the Veteran claim covering 219 square miles and estimated to contain 969,000 cords.

B. C. Pulp & Paper

British Columbia Pulp & Paper Co., manufactures various grades of straight sulphite pulp at Woodfibre and Port Alice, B.C. An increasing proportion of output has been devoted to high quality dissolving pulp for rayon and staple fibre. Balance is high-grade bleached pulp for fine paper.

Products are sold in some 10 countries, the United States taking about 73% of total shipments in 1948 with 7% going to Canada. Shipments to rayon mills in Japan were renewed during the year.

Annual capacity is approximately 135,000 tons bleached sulphite pulp. Total 1948 production was a record at 134,153 tons of which 83% was dissolving pulp.

Program of improvements to reduce operating costs continued in 1948 with completion of hydro-electric installations, high-pressure steam power plant and hydraulic barking and whole log chipping plant at Woodfibre. Operating results in latter part of year were reported to have reflected reduction in quantities of fuel and logs required. Concrete towers to replace depreciated wooden towers for making cooking acid are being erected. A high-pressure boiler of 185,000 lb. of steam per hour capacity and two steam turbo generator units, each of 3,500 kw. capacity ex-

(Continued on page 42)

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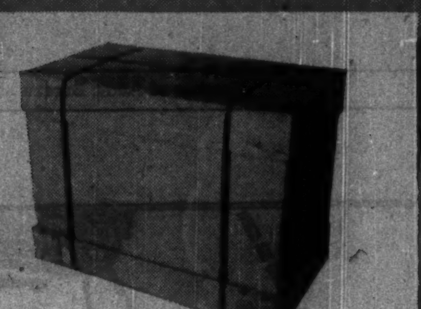

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Heating Systems For Finishing and Storage Rooms

Calendar Cooling Systems
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General Heating Systems
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Coated Paper Drying
Flocked Paper Drying
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The splendid new ROSS plant, office and storage building at Ville LaSalle, occupying an area of 50,000 sq. ft., is designed and equipped for the most advanced methods in streamlined production.

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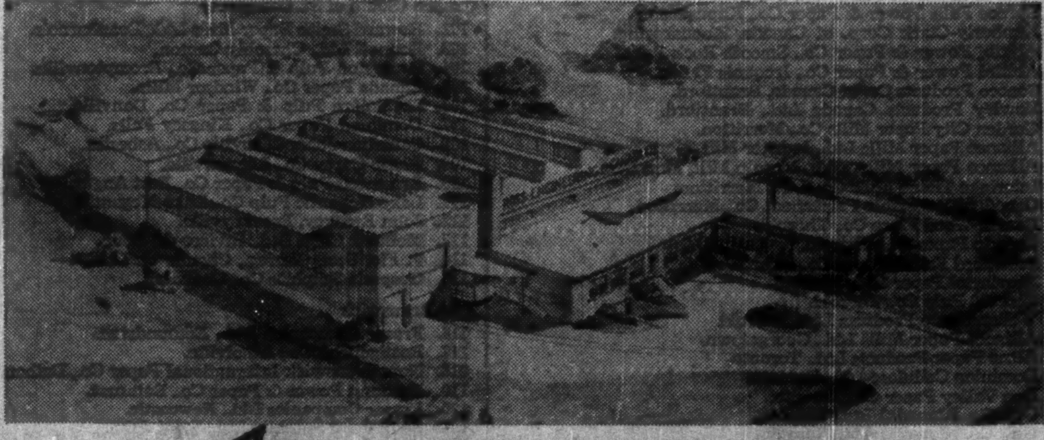
You are cordially invited to inspect our new plant when you are in the vicinity of Montreal. Your visit will be appreciated.



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River of Pulp Flows to Building

See High Demand in 1950 for Construction Papermakers

For Canada's building material makers—including very prominently the "paper group"—there is every sign of continued high demand.

Building and construction of almost all kinds and in almost every section of the country continue in record volume, and with enough steam behind new orders to suggest volume in 1950 may be near 1949's dramatic showing.

Every major supplier still has lengthy waiting lists for wallboard, gypsum lath and cement, for steel pipe and nails, cast iron soil pipe, brick and bathtubs. And calls for building labor are still swamping the boards of employment offices across Canada.

Most types of building—offices, stores and garages, factories, schools, hospitals and churches—so far in '49 are in volume at or well above that of the 1948 period.

But it is in pulp and paper's biggest building market—housebuilding and renovation—that demand is highest now, and apparently likely to continue highest.

Here are figures on new business being placed, amply backing up the book showings in Canada's "building paper" offices and the outlook reports of their salesmen and production planners:

CONSTRUCTION CONTRACTS AWARDED, CANADA
(Millions of Dollars)
Source: MacLean Building Reports Division, Hugh C. MacLean Publications.

	8 Mos.		% Chge.	Aug.		% Chge.	% Chge.
	'48	'49	from '48	'48	'49	from '48	from July
Housing	239.3	308.9	+19	44.5	55.9	+25	+7
Comm'l & inst'l bldg.	196.7	196.9	no change	29.9	24.7	—17	—25
Factories	46.6	75.9	+63	5.6	2.7	—52	—38
Engineering works	162.0	126.9	—22	11.7	7.4	—37	—81
All	664.5	708.9	+7	91.7	90.7	—1	—30

Orders for new housebuilding, at about $309 millions for eight months, are up 19% from the 1948 period, against an over-all gain for all construction contracts of 7%. Residential building contracts in August alone are put at about $56 millions, up 25% from the 1948 month and off seasonally only 7% from July.

For much of the work now getting under way, delivery orders for the paper group of building materials—including wall and insulating board, asphalt-impregnated shingles, tiles and wall siding, roll roofing, roof felt and the like—are still to be booked in the weeks ahead. Thus it would appear a continuing high level of inventory orders and production may be expected by manufacturers through the year's last quarter and into 1950.

All building materials are big business in construction booms, such as the 1946-50 five-year splurge to make up for relative inactivity of the depression and war years.

The paper group of construction products, on the other hand, almost uniquely holds its own well into slack periods. That is mainly because they are in many cases substantially cheaper than comparable materials and very widely used in "economy" building and renovation of roofs, outside walls, inside walls, temporary lean-to's across farms and towns. Regardless of the economic weather, there is always an important volume of this kind of work.

As well, there are new and growing opportunities in the field.

One relatively new opening for pulp building material makers: Growth of official acceptance of "dry-wall" construction in housing under the National Building Code and municipal bylaws (The Financial Post, Sept. 13, 1947).

Toronto, long an outstanding anti-drywall centre, recently has been "temporarily" waiving its traditional insistence on plastered inside walls and ceilings; instead is "temporarily" permitting use of the gypsum plaster "sandwich" type of wood fibre board.

Expectation of most architects and contractors is that the Toronto authorities may never go back to compelling use of plaster and that an increasing number of Canadian cities and towns will follow the example.

◆

Building Prod. Ltd.

Building Products Ltd. manufactures asphalt shingles and tiles, roll roofing, roofing felt, wallboard, insulating board and sidings, building papers, expansion joints, waterproof paints and cements and allied products, under the trade names "BP," "Neponset," "Ruberoid," "Bird's," "Vulcanite," "Insul-Board," "Insul-Bric," "Insul-Board Dry Wall," etc. Over 50 different types of roofing and other building products are marketed and in addition to selling to the Canadian market the company carries on an export business with Great Britain and other countries. Since 1947 the company has been the prime distributor of Fiberglas, building insulation made by Fiberglas Canada Ltd., Oshawa, Ont.

The following plants are operated: Pont Rouge, Que., with two machine paper mills having additional facilities for the conversion of a portion of the output into wallboard and insulating board; Montreal — roofing plant for the production of asphalt roofing shingles and sidings in various forms as well as building papers; Hamilton, Ont. — a roofing plant for the production of asphalt roofing, shingles and sidings as well as building papers and asphalt tile floorings; Madoc, Ont.—quarries and rock crushing plants; Havelock, Ont.—rock crushing and coloring plant; Winnipeg, Man. — one machine paper mill with additional facilities for the conversion of a portion of the paper output into wallboard and insulating board, a roofing plant for the production of asphalt roofing, shingles and sidings and building papers; Toronto—a new warehouse of approximately 20,000 sq. ft., was constructed in 1948; Halifax, N.S. — property formerly held under lease for warehouse purposes was purchased in 1948.

Capital additions for land, buildings and machinery in 1948 amounted to $508,208 including new property at Montreal and Halifax and a new warehouse at Toronto. New construction underway consists of a new building in Montreal and additions to the Winnipeg plant. The capacity of the Winnipeg paper machinery is being increased sufficiently to make the company's operations in Western Canada entirely independent of its Eastern paper mills for supply of paper.

Dollar sales for 1948 reached a new high for the sixth consecutive year. The company's paper mills and all factories were operated at substantially full capacity during the year. Net profit amounted to $1,589,246 compared with $1,557,374 in 1947. Per share earnings in 1948 amounted to $3.30 compared with $3.22 in 1947.

Working capital at Dec. 31, 1948 amounted to $3,722,137, up from $2,987,220 at the end of 1947.

Present outstanding capitalization consists of $875,000, 2¾% serial debentures and 483,384 common shares, no par value. A higher dividend rate of $1.60 per annum was established with the quarterly payment of 40c. per share on Oct. 1, 1948. Prior to this a rate of $1.40 per annum had been paid since Oct. 1, 1947.

Backlog of unfinished construction contracts should provide a satisfactory volume of business for at least the first six months of 1949, President W. R. McNeil stated in the annual report. In most cases the supply of building products now seems sufficient to meet the current demand and for this reason orders are not now being placed as far in advance of actual requirements as formerly, he said.

Donnacona

Donnacona Paper Co. Ltd. in addition to newsprint and groundwood and sulphite pulp manufactures insulating board in a mill built for the purpose during 1929. The manufacture of acoustical board was undertaken in 1939. Sale of insulating board products is world wide.

The insulating board mill has an annual capacity of 90 million sq. ft. In 1940, a cylinder board machine, capacity 35 tons daily, was added to the plant. Products of the board mill include rough cast and laminated insulating board; roof insulation and plaster lath; rough cast, smooth and colored board; burl board for interior finishes; decorative specialties; Donnacousti sound absorbing board; asphalt impregnated board; insulated brick siding; refrigerator and special industrial board; termite-proof board; and hard pressed board and tile.

Total production in 1948 of all products manufactured by the company was 157,050 tons compared with 148,810 tons in 1947 and 134,015 tons in 1946. Net sales for the year increased to $14,357,857 compared with $12,474,847 in 1947. Net profit rose to $1,571,899 from $1,245,174.

Capacity of the three newsprint machines is now 100,000 tons per annum of newsprint paper. Capacity of the sulphite pulp mill is 50,000 tons per annum of which 30,000 tons is surplus for sale and the groundwood pulp mill can produce 96,000 tons per annum.

The company owns in fee or leases, timberland adjacent to the St. Lawrence River and comprising practically all the land in the watershed of the Jacques Cartier River, River Sault au Mouton and the Bersimis River in the Province of Quebec, aggregating about 100,611 sq. miles estimated to contain some 11.9 million cords of pulpwood. Of the total lands held under lease or freehold, 752 sq. miles is the company's share of the Bersimis timberlands purchased by Donnacona and Anglo-Canadian Pulp & Paper Mills in 1947 from the Brown Corp. Cost to the company of the new lands and pulpwood cutting rights was $2,410,461.

Virtual control of Donnacona is now held by Howard Smith Paper Mills Ltd. which held 150,250 common shares at the end of 1948 and has since acquired additional shares. The purpose of this transaction was to assure Howard Smith of an adequate source of raw material for its book and writing paper production since Donnacona has 30,000 tons unbleached sulphite pulp capacity in excess of its own requirements.

Masonite Co.

Masonite Co. of Canada, jointly controlled by Canadian International Paper Co. and Masonite Corp., manufactures Masonite tempered and untempered Presdwood, Masonite Temprite tile and Masonite flooring at Gatineau, Que. Primary distribution of products is through International Fibreboard, exclusive agents, and through sales agents. Sales are mainly in the Dominion, although some output is now being directed to overseas markets.

The $300,000 mill at Gatineau has productive capacity of 265,000 sq. ft. daily of all kinds and grades of Masonite board. Equipment includes one Fourdrinier machine, six special weiner refiners and two Masonite fibre guns.

Individual financial and operating statements of Masonite Co. of Canada are not submitted for publication.

Int. Fibre Board

International Fibre Board Ltd., a subsidiary of International Paper Co., manufactures fibre board under trade name "Ten/-Test" from wood screenings, a by-product in paper manufacture.

International Fibre Board was organized in 1928 to take over a plant in Midland, Ont., manufacturing about 25 tons a day of "Ten/Test" insulating building board, a wood fibre product. A new plant was constructed near the newsprint mill of Canadian International Paper Co. and associated companies at Gatineau, Que., where eight acres of floor space is available. The plant has an ultimate production capacity of 600,000 sq. ft. of board per day. Annual production is approximately 115 million sq. ft. wood fibre solid insulating wallboard consisting of "Ten/Test" insulating board, "Termite/Test" (insect-proof) insulating board and acoustic board for acoustical correction. Production of insulating board in 1948 totaled 34,691 tons compared with 29,475 in 1947.

The company also acts as exclusive sales distributors in Canada for Masonite Products. A new company, International Fibre Board & Plywood Sales Ltd., was recently formed to handle sales of "Ten/Test" and plywood. "Ten/-Test," manufactured by International Fibre Board, and plywood manufactured by International Plywoods Ltd., were formerly sold by two separate sales subsidiaries.

The parent company, International Paper Co., is an operating and holding company engaged directly and through its subsidiaries in manufacturing and selling pulp and paper and related products. Consolidated net profit of International Paper Co. in 1948 was $60,489,266 compared with $54,396,550 in 1947. In the first half of 1949 net profit amounted to $24,649,329 against $28,556,437 in 1948.

Sidney Roofing

Sidney Roofing & Paper Co. operates properties in Victoria, B.C., for the manufacture of roofing products, building papers, paperboard and paperboard cartons and has distribution rights for well-known construction materials. A controlling interest was recently purchased by E. B. Eddy Co., a subsidiary of Eddy Paper Co.

A plant expansion program involving $1 millions was completed in 1948, affecting almost all phases of the companies diversified operations. A new building with 25,000 sq. ft. of floor space was erected to house the new roofing division which more than doubles the former roofing capacity of 25 tons daily. It will allow the manufacture of a complete line of roofing materials and building papers. The new steam plant made necessary by the installation of new papermaking equipment promises to provide cheaper power than the former unit. The new paper machine to run high quality paperboard is completely installed. With paper machine capacity increased, more machine time can be allocated to felt production necessary in the manufacture of roofing products.

National Paper Box Co., a wholly owned subsidiary, is the paperboard converting unit of the company using paperboard products produced by the parent company to manufacture a full line of paper boxes. During 1947 the plant was completely remodeled and new equipment added. This unit's 1948 sales exceeded previous levels by a substantial margin, the annual report states.

Sales demand for products reached new levels during the first 11 months of 1948 and only during December was there any noticeable seasonal fluctuation. Net profit was up 56.9% at $397,139 ($253,050) equal to $7.94 class A and $2.52 per share, class B ($5.06 and $2.08).

Working capital increased from $383,988 at Dec. 31, 1947, to $444,283 at the end of 1948. Inventories were higher at $508,310 compared with $318,189.

While the construction industry reflected a seasonal turn during the closing weeks of 1948, outlook for 1949 appears to be at a high level, President R. W. Mayhew stated in the annual report. With greatly increased production capacity, sales forces have been increased and an enlarged sales coverage is expected.

DONNACONA PAPER COMPANY
LIMITED

Woodpulp and Sulphite Pulp Mills, Newsprint
Donnacona Board and other Pulpwood Products

CAPACITY OF MILLS
100,000 Tons Newsprint
96,000 Tons Groundwood Pulp
50,000 Tons Sulphite Pulp
90,000,000 sq. ft. Insulating and Building Board

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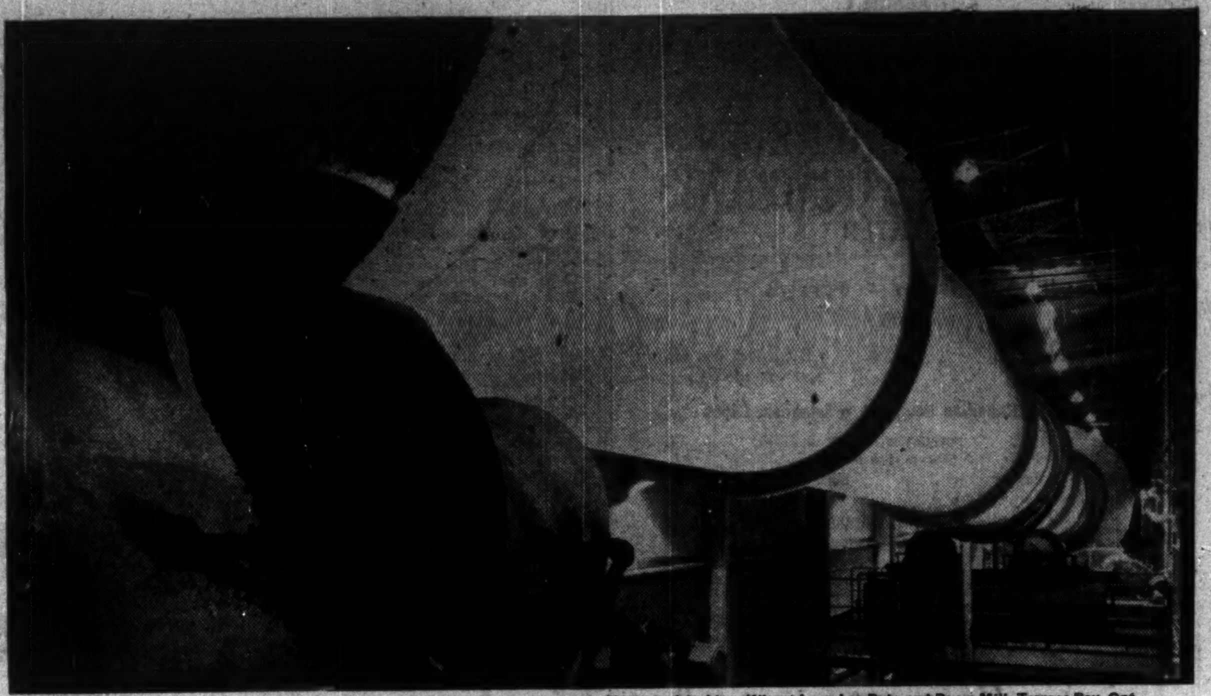

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Drop in Woodpulp Exports and Prices Expected to Bring Lower Output in '49

(Continued from page 40)

hausting steam at pressures suitable for process use in the mill, were ordered for installation at Port Alice during the current year.

The company leases from B. C. Government and other interests approximately 155,000 acres, estimated to contain approximately 3.4 billion board feet of lumber. Approxmiately 23 sq. miles of standing timber adjacent to operations near Holberg was purchased during 1948. Annual reforestation of logged areas is reported to have continued satisfactorily. Research work in co-operation with the provincial government is being continued. As steam-operated logging equipment has become worn out, Diesel-powered units have been installed.

The company has extensively developed its own townsites for employees at Woodfibre and Port Alice, B.C. Power for mills is supplied by steam-driven generators.

Net earnings during 1948 of $6,037,510 were slightly below the $6,376,208 reported in 1947, but lower provision for taxes resulted in a higher net profit of $3,225,922 ($2,555,932).

Working capital was higher at $4,720,348 ($3,406,024) and inventories increased from $3,364,366 at Dec. 31, 1947, to $5,188,204.

Regular dividends of $7 per annum have been paid on the preferred stock since 1946. On Nov. 1, 1948, $28 per share was paid covering four years arrears, leaving arrears at $73.50 per share.

Present outstanding capital consists of $5,800,000 3½% first mortgage bonds; 5,562 shares preference stock, 7% cumulative, $100 par; 100,000 shares common stock, no par value.

First half sales for 1949 were reported to have held up well, but operations have since been curtailed after U. S. market drop for rayon pulp. The Woodfibre mill stopped production June 18, 1949, and the company undertook a comprehensive overhaul of the mill. The Port Alice mill was closed down July 15. Recent pickup in U. S. demand, however, has been sufficient to justify reopening of the mills. The Woodfibre plant will resume operations Sept. 17 and the Port Alice Mill on Oct. 3. Continuation of operations will depend upon maintenance of improved business conditions in the U. S.

The price of standard grade dissolving pulp which constituted 83% of B. C. Pulp & Paper's sales in 1948 was reduced $5 a ton on June 1, 1949.

Brown Corp.

Brown Corp., wholly owned subsidiary of Brown Co. of Berlin, New Hampshire, is Canada's largest producer of sulphate pulp. The company operates a mill at La Tuque, Que., on St. Maurice River about 110 miles north of the St. Lawrence River. Products include unbleached sulphate, special unbleached condenser grade, fully bleached sulphate, "Cellate" and seven grades of highly purified pulp which are sold under the trade name "Solka."

The La Tuque mill has an annual productive capacity of approximately 127,500 tons of bleached and unbleached sulphate pulp. It owns approximately 837,296 acres of freehold timberland, and holds 1,669,838 acres under license from Quebec. These limits are sufficient to provide a perpetual supply of pulpwood in excess of present capacity.

Brown Corp. owns 50% of the common stock of St. Maurice Power Corp., the other 50% being owned by Shawinigan Water & Power Co. St. Maurice Power owns a 222,500 hydro-electric power plant at La Tuque.

Following a program to consolidate the company's widely scattered holdings, the St. Maurice River holdings are more accessible, more compact and of greater economic value to the mill.

Capital improvements at La Tuque to reduce costs and improve quality of products, rather than increase capacity, were largely completed during 1948. Expenditures of $1,878,809 in Canada during 1948 included improvement to the old bleacher at La Tuque begun in 1947. Completion of a new bleachery, 300 tons daily capacity, to replace the rest of the old bleachery is scheduled in a few months and the La Tuque bleaching facilities should then suffice for bleaching most of the mill output. Other work at La Tuque included the general rehabilitation of electrical equipment. No new long-term major improvement program will be undertaken in 1949, the company states.

Operating statements are not submitted on Brown Corp., whose operations are included in the consolidated statements of Brown Co. Total assets of Brown Corp. at Nov. 30, 1948, were $23,553,661 with current assets of $12,715,171 and current liabilities $2,577,820.

Consolidated net sales in 1947-48 of $48,070,000 ($42,630,468 in the previous year) again exceeded any previous year since Brown Co.'s reorganization in 1941. Earnings were the highest since 1920 due in part to economies and other benefits derived from the improved plant facilities.

Consolidated earnings for the 28-week period ended June 11, 1949, amounted to $1,092,000, down 50% from the $2,303,000 reported for the comparable period of 1948 due to reductions in both sales prices and volume. These reductions have affected the parent company to a much greater extent than the Canadian subsidiary, the company reports.

Earnings for the balance of the year will be less than in the first half, according to the company, unless there is a marked increase in demand.

Quarterly dividends of $1.50 per share are being paid on the preferred stock. Preferred shareholders had hoped that some method could be found of clearing off dividend arrears amounting to $54 per share, but possibility of a capital reorganization faded with the announcement of the lower earnings for this year.

Col. Cellulose

Columbia Cellulose Co. Ltd., subsidiary of Celanese Corp. of America, has under construction near Prince Rupert B.C. a new 200-ton per day high alpha pulp mill. The mill is being built on Watson Island, eight miles south of Prince Rupert and will have an excellent deep-water wharfage and transcontinental railroad and highway facilities, it is stated. The island is owned by the company by freehold title and has a total area of over 200 acres. Leases are being obtained from the Province of British Columbia to extensive booming and storage grounds in the harbor and elsewhere for additional log storage. The city of Prince Rupert is expected to provide an ample labor supply and make it unnecessary to build a company town.

The main purpose of the mill is to produce high alpha pulp for the manufacture of cellulose acetate textile fibres and plastics in the plants of Celanese Corp. of America. The parent company has contracted to buy the full production of the proposed mill up to an average of 200 tons of high-alpha pulp per working day in each calendar quarter up to Sept. 30, 1969 at market price not lower than $132 per ton f.o.b. mill. In addition, Celanese Corp. has exclusive right to purchase any excess production but the company may sell the excess elsewhere if it is not required by Celanese.

In addition to the pulp mill, the company will generate power and process steam in a coal-burning power plant to be constructed at the mill site. Installation will provide high pressure boilers of 500,000 lb. an hour steam capacity and two 7,500 kw turbo-generators. An adequate coal supply is available from existing coal mines in British Columbia and Alberta, but provision will be made for burning oil if necessary.

Columbia Cellulose Co. has been granted a forest tract by the B.C. Government which is expected to supply pulpwood in perpetuity for mill operations. The timber area extends north of Prince Rupert and includes watershed areas of the Skeena and Nass rivers.

Completion of the project is scheduled for the summer of 1950 and total capital requirements are estimated at $31,812,500, to be provided as follows: (1) $15 millions from sale of first mortgage bonds in July, 1948 of which $5 millions, 3½% serial bonds were sold privately and $10 million 4½% bonds were offered publicly. (2) $12.5 millions from Celanese Corp. of America which has subscribed for 60,000 shares of 5% preferred stock, $100 par, and 65,000 common shares, $100 par. (3) $7.5 millions to be provided from Celanese Corp. if required for completion of the plant.

Consol. Paper

Consolidated Paper Corp., in addition to newsprint, kraft paper and other products, manufactures kraft and sulphite pulp for sale over and above the requirements of its own paper machines.

Pulp available for sale amounts to approximately 160 tons of sulphite pulp, and 74 tons daily of kraft pulp. Of the sulphite pulp available for sale, 60 tons daily is produced at the Laurentide division, Grand'Mere, Que., and the balance at Port Alfred division, Port Alfred, Que. The mill at Cap de la Madeleine, Que., part of the Waygamack division has the surplus kraft pulp capacity.

Tonnage of all pulp and paper products shipped in 1948 was approximately 3.5% more than in 1947, and sales totaled $76,663,469, compared with $68,544,553, an increase of approximately 12%.

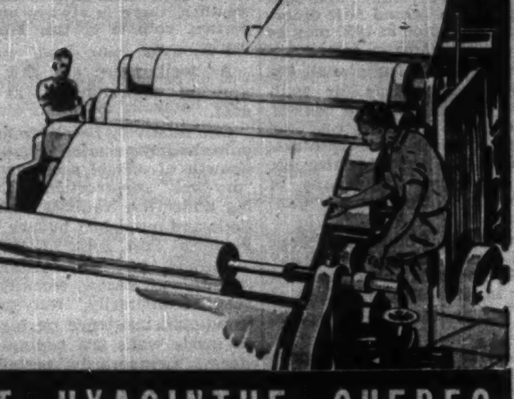
Expenditures during 1949 are expected to complete modernization of the grinding room at Wayagamack Cape mill, and to partially replace and modernize the sulphite mill at Port Alfred. Opening of the Port Neuf timber limits will require heavy expenditures. During 1948, $4,195,884 was spent on the program of replacement and modernization of manufacturing and pulpwood handling facilities. To maintain high operating efficiency, $3,725,644 was spent on maintenance and repairs at the mills.

Business is returning to normal, and supply of most kinds of pulp and paper have finally caught up with demand, President G. N. Hobart stated at the annual meeting. Demand for kraft paper and cardboard taxes capacity at present, but the demand for chemical pulp leaves a margin of reserve capacity.

E. B. Eddy Co.

The E. B. Eddy Co., wholly owned subsidiary of Eddy Paper Co., manufactures and distributes a wide range of pulp and paper products including specialty and hanging paper, tissue products, paper bags, newsprint and paper board. Over 80% of the newsprint is sold on long-term contract and about 10% of the specialty papers and board are sold overseas. Other products are distributed through company's sales organization in Eastern Canada and branch warehouses at Hali-

(Continued on page 45)



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YEAR by year, the packaging needs of Canadian industry are being met in ever-increasing proportions by the use of kraft and sulphite pulp products.

In the field of packaging, Bathurst Power and Paper Company Limited holds a position of prime importance.

Through its subsidiaries (Kraft Containers, Ltd., Hamilton, Ont. and Shipping Containers, Ltd., Montreal, P.Q.) it supplies kraft corrugated shipping cases in a wide variety of types and styles to manufacturers and shippers from coast to coast.

The company's mill at Bathurst, N.B. produces kraft liner and kraft corrugating board for the shipping case industry in general—folding and set-up box-board for the paperboard carton industry—and unbleached sulphite pulp for manufacturers of paper and paperboard.

In the packaging industry there are thousands of uses for Bathurst products. Remember—whenever you see a kraft shipping case or a paperboard carton—there's a good chance it had its origin in the timber limits of Bathurst!

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BATHURST POWER AND PAPER COMPANY LIMITED; BATHURST; N.B: AND SUBSIDIARY COMPANIES;
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Labor Peace Marks Pulp-Paper Field

Management, Unions Settle Disputes in Record of Harmony

Next to railway running trades, men who work in Canada's pulp and paper industry are the highest paid wage-earners in the nation.

There are 50,000 of them scattered in 90 mills from Ocean Falls B.C. to Minas Basin N.S.—plus a few hundred more still farther East now that Newfoundland is part of Canada.

They work an average of 48 hours a week, 50 weeks a year with machinery, tools and equipment that cost $1,100 millions. With these they produce 800 varieties of pulp, paper and board, amounting to about $2 millions worth every day.

Their position second from the top of Canada's wage list should be an object lesson to union leaders whose first reaction is "strike" when negotiations hit a snag.

The pulp and paper workers achieved their high wage scale without a single strike. Abitibi Power & Paper, for example, recently signed up for the 33rd year. Not one strike had occurred in all that time.

Through their AFL union, employees have had plenty of battles with management. But at no time did they reach the stage of open warfare.

This ability to straighten out the knottiest dispute is a tribute to both management and union. And both sides are proud of their record of harmony.

How it was achieved

Last year, the United States National Planning Association, a nonprofit, public service organization, looked into the industry's industrial relations. Out of it came the first of a series of reports on: "Causes of Industrial Peace under Collective Bargaining."

Here's what the investigators attributed the pulp and paper peace to:

— Controversies have been largely settled without resort to third parties like government conciliation boards.

—Negotiations have been conducted without undue delays.

—Contracts are religiously observed by both sides.

—Both sides show a high respect for each other.

—Wages are high; job security good.

—Turnover and absenteeism low.

—No joint collusive action against competitors or purchasers.

Reading the report, you get a definite impression that here's one group of employees who are seriously interested in the welfare of their industry.

This spirit was exemplified in this year's contract negotiations. When it came time for wage talks to begin, the industry had hit a soft spot, marketwise.

Where Pulp and Paper Exports Went in 1948

	To U.S.A. Tons	To U.S.A. Value $	To U.K. Tons	To U.K. Value $	To Other Countries Tons	To Other Countries Value $	Total Exports Tons	Total Exports Value $
PULP								
Sulphate kraft:								
Bleached	231,470	32,543,045	580	93,096	488	84,455	232,538	32,720,596
Unbleached	136,612	16,117,900	18,082	2,259,826	2,367	317,793	157,061	18,695,519
Sulphite, bleached:								
Dissolving	246,463	36,168,219	47,201	7,319,310	15,606	2,603,393	309,270	46,090,922
Paper grades	228,509	30,038,361	11,213	1,839,680	2,625	528,288	242,347	32,406,329
Sulphite, unbleached:								
Strong	270,575	30,838,362	50,973	6,101,565	10,441	1,197,680	331,989	38,137,607
News grade	169,150	18,857,917	8,577	1,035,390	5,201	490,460	182,928	20,383,767
Total	1,282,779	164,563,804	136,626	18,648,867	36,728	5,222,069	1,456,133	188,434,740
Mechanical	262,919	16,546,862	33,601	2,710,421	....	....	296,520	19,257,283
Other pulps	25,316	3,288,513	....	....	....	....	25,316	3,288,513
Screenings:								
Chemical	11,537	489,515	....	....	....	....	11,537	489,515
Mechanical	8,123	84,204	369	10,129	....	....	8,492	94,333
Total	307,895	20,409,094	33,970	2,720,550	....	....	341,865	23,129,644
Total pulp	1,590,674	184,972,898	170,596	21,369,417	36,728	5,222,069	1,797,998	211,564,384
NEWSPRINT PAPER								
Standard	3,917,361	340,334,045	60,690	5,319,660	350,032	37,469,038	4,328,083	383,122,743
Mutilated	33,411	2,461,347	....	....	....	....	33,411	2,461,347
Total newsprint	3,950,772	342,795,392	60,690	5,319,660	350,032	37,469,038	4,361,494	385,584,090
OTHER PAPER								
Wrapping, coated	(0.4)	122	55	28,109	3,040	691,131	3,095	719,362
Wrapping, kraft	3,540	448,947	2,190	379,134	5,484	965,233	11,214	1,793,314
Wrapping	1,910	214,203	950	140,956	4,423	742,463	7,283	1,097,622
Book	25,074	3,018,274	162	46,604	11,646	2,775,672	36,882	5,840,550
Book and writing	5	1,827	....	....	5,031	1,484,014	5,036	1,485,841
Paperboard	38,251	3,353,514	30,980	3,901,813	21,212	2,631,676	90,443	9,887,003
Roofing	122	9,676	749	185,672	4,470	313,234	5,341	508,582
	1,030	24,359	4,994	364,414	9,828	1,048,927	15,852	1,437,700
Waste paper	15,153	568,033	....	....	32	1,846	15,185	569,879
	29,164	2,194,904	....	....	....	......	29,164	2,194,904
Tissue	110	18,186	195	54,028	494	135,084	799	207,298
Toilet	2,573	691,514	84	23,128	3,059	758,307	5,716	1,472,949
Total	116,932	10,543,559	40,359	5,123,858	68,719	11,547,587	226,010	27,215,004
PAPER PRODUCTS								
Bags	....	19,046	....	45	....	446,959	......	466,050
Boxes and cartons	....	213,949	....	947	....	1,165,439	......	1,380,335
Hangings or wall	....	485,063	....	9,047	....	101,386	......	595,496
Hanging not printed	....	15,999	....	....	....	......	......	15,999
Writing	....	3,153	....	1,378	....	220,667	......	225,198
Handkerchiefs, tissues	....	96	....	....	....	19,659	......	19,755
Napkins and towels	....	37,752	....	....	....	73,650	......	111,402
Other paper products	....	62,636	....	148,510	....	957,133	......	1,168,279
Total paper products	....	837,694	....	159,927	....	2,984,893	......	3,982,514
GRAND TOTAL	5,658,378	539,149,543	271,645	31,972,862	455,479	57,223,587	6,385,502	628,345,992

Instead of holding out for wage raises anyway as many unions did and are still doing, the AFL Pulp and Paper union talked the matter over and agreed on a no-raise contract for the coming year.

Unlike some of their younger, less far-sighted contemporaries, the Pulp workers looked at the picture realistically. Their decision to hold the wage line was the first in any industry since the wage-price spiral began twirling.

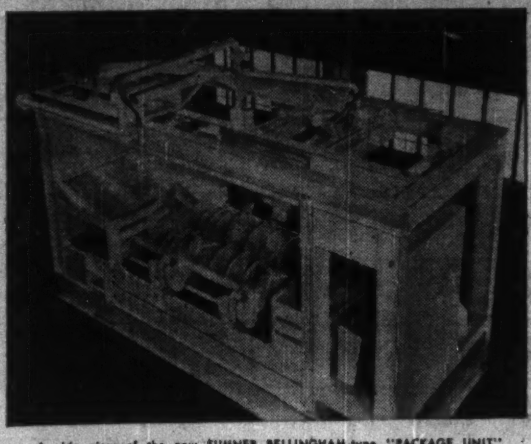
Their Pay Increases

Most employees would agree that they hadn't done too badly. From 1939 to 1948, wage rates went up a whopping 93.5%; in the paper box industry, they were up even more—102.3%. In newsprint mills, machine tenders were getting as much as $2.44 an hour. The average rate was $2.15 making this one of the highest paid occupations in Canadian industry. Basic rate for unskilled labor was $1 an hour.

Most of them worked a six-day, 48-hour week. They got double time-and-half on statutory holidays (they get six under this year's contract). All but two of the mills give vacations with pay, starting with a week for a year or less service and going up to three weeks for 20 years. However, all but 5% were getting two weeks.

And all but eight of the mills had some form of collective agreement in writing. These covered 95% of the working force. Most had agreements with either the AFL International Brotherhood of Pulp, Sulphite and Paper Mill Workers or the International Brotherhood of Paper Makers or both; also with the independent International Association of Machinists, AFL Electrical Workers or Operating Engineers. All but the Machinists are affiliated with the AFL and the Trade and Labor Congress of Canada.

SUMNER SCORES ANOTHER "FIRST" WITH THE "PACKAGE-UNIT" BELLINGHAM type HYDRAULIC BARKER



A side view of the new SUMNER BELLINGHAM-type "PACKAGE UNIT" HYDRAULIC BARKER as installed in a west coast mill utilizing small logs. Tests prove this to be a highly efficient Barker saving time as well as labor costs.

FOR THE EFFICIENT DE-BARKING OF:—

1. Small logs from 4" to 60" diameter and up to 10' lengths.*
2. Cord wood.

*Length of logs handled may be increased by addition of extra rolls.

OUTSTANDING FEATURES

- Unit may be shipped complete except for nozzle carriage.
- All parts of Barker mounted on heavy structural steel frame.
- Operator's console provided and gives excellent overall view of operation through heavy plexi-glass shield.
- All controls conveniently located in operator's compartment.
- Equipped with regular log stop and loader.
- Special nozzles available for unusual barking conditions.

BELLINGHAM-type WHOLE LOG BARKERS WILL DE-BARK LOGS UP TO 72" DIA. (Length is controlled by customer's specification.)

A SUMNER whole log Hydraulic Barker and 175" Whole Log Chipper saved one large Pulp Mill 18% in wood requirements and payroll savings of hundreds of thousands of dollars in one year.

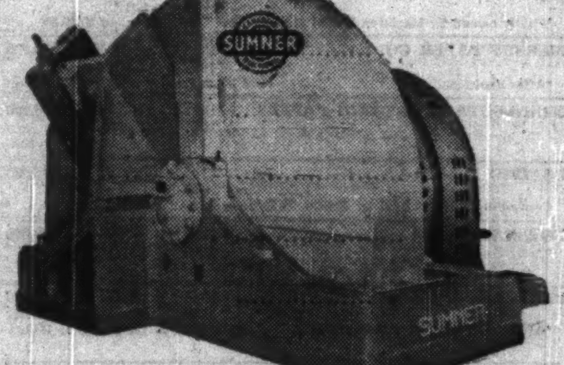
SUMNER CHIPPERS NOW BUILT WITH 4, 6 OR 8 KNIVES

Chipper Capacities

Size of Chipper	Max. size of cant
*54"	7" x 11½"
*66"	11" x 13"
72"	11" x 14"
84"	15" x 15"
112"	19" x 24"
153"	26" x 34"
175"	30" x 34"

*This Chipper adaptable to Chipping Veneer Waste.

as a result of research and experience by SUMNER ENGINEERS in co-operation with pulp mill operating staffs to give greater chip production with lower operating costs.

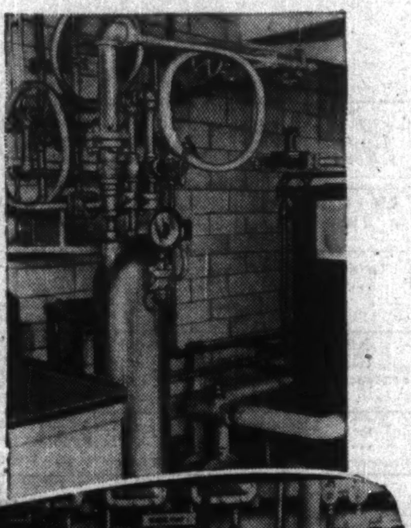


A SUMNER 112" WHOLE LOG CHIPPER equipped for direct drive by electric motor. Chippers are also available for belt drive.

Canadian SUMNER IRON WORKS LIMITED
3550 EAST BROADWAY VANCOUVER CANADA

In milltown or metropolis Crane valves meet the need

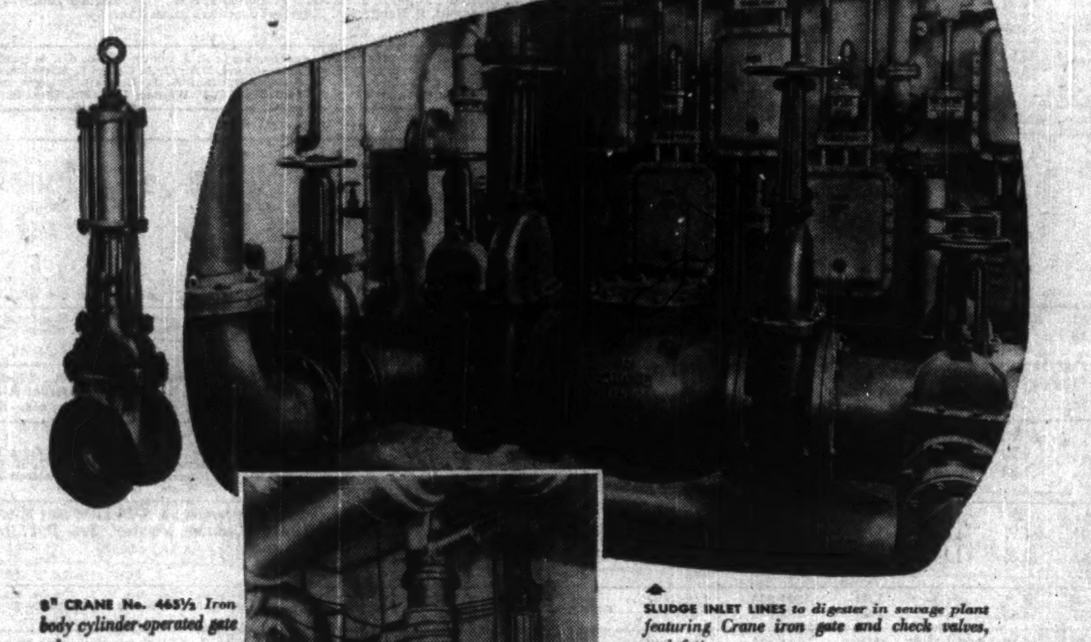
CHLORINE EVAPORATOR SYSTEM for sewage treatment—safe and dependable because piping materials are Crane Quality.



In public utility services regardless of size, what is needed more than the assurance of dependable operation? For water and sewage systems, where the nation's health is at stake, what is more necessary than dependable flow control?

In valves as in fittings, Crane Quality meets today's highest standards for water supply and sewage disposal practices. The community that builds with Crane equipment in pumping station, treatment plants, and streets, can have no greater assurance of maximum value and dependability in piping materials. The men who design and operate the systems can have no greater peace of mind under all working conditions.

CRANE LIMITED, General Office: 1170 Beaver Hall Square, Montreal



8" CRANE No. 465½ Iron body cylinder-operated gate valve.

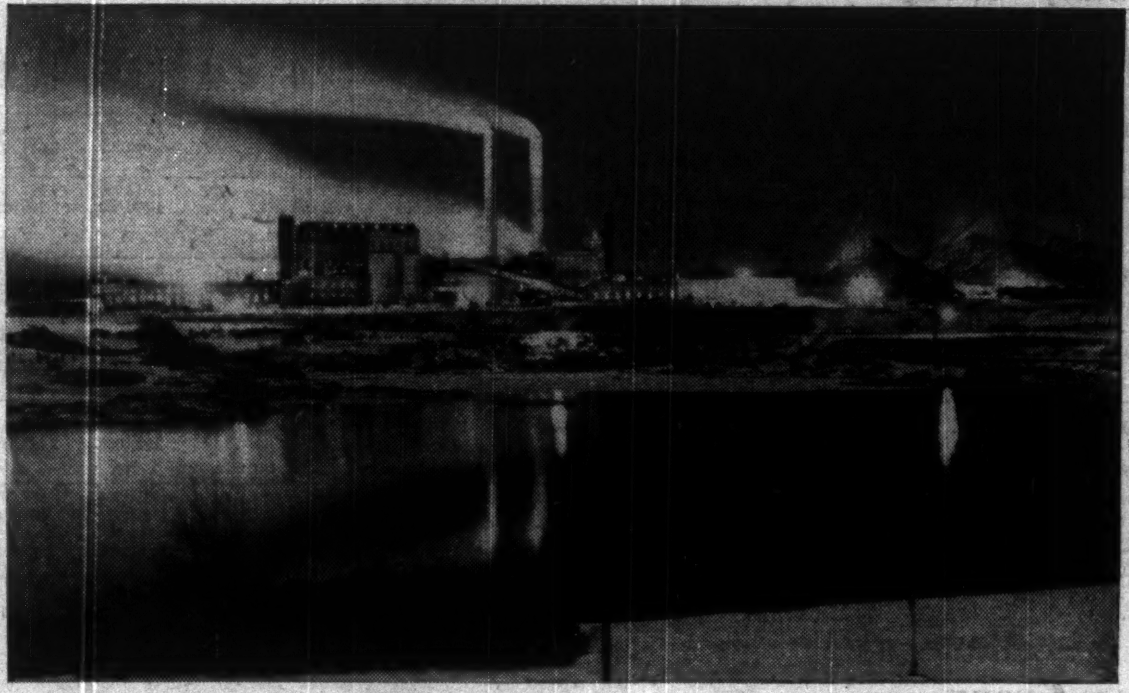
SLUDGE INLET LINES to digester in sewage plant featuring Crane iron gate and check valves, and fittings.

CYLINDER-OPERATED Crane iron gate valves in filter lines in large water treating plant. Crane supplies all types of remote controls for valves.

1-8131-CS

CRANE VALVES • FITTINGS • PIPE
PLUMBING • HEATING • PUMPS
NATION-WIDE SERVICE THROUGH BRANCHES, WHOLESALERS and PLUMBING AND HEATING CONTRACTORS

Spruce Falls Power and Paper
COMPANY, LIMITED



Daily Capacity
660 TONS NEWSPRINT
350 TONS SULPHITE PULP

Pulp and Paper Mills at Kapuskasing, Ont.
HEAD OFFICE — TORONTO, ONT.

The Financial Post Statistical Record of Major Pulp and Paper Companies

Newsprint Group

Company	Year	Wood Resources Cords or Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	Directors
ABITIBI POWER AND PAPER	1948	27,000	685,715	39,565,500	25,542,584	♦4,257,401	14.19	†7,850,250	9,413,086	*6.66	5.79	*1.50	Nil	7,195,178	19,093,523	D. W. Ambridge*, pres. and gen. mgr., Toronto; W. H. Smith*, vice-pres.; Allan Graydon, J. H. Gundy*, J. S. D. Tory*, E. W. Bickle; Toronto; J. P. Ripley, New York; R. H. Reid, London, Ont.; H. J. Carmichael, St. Catharines; T. R. McLagan, Hon. Edouard Asselin, Montreal. Treas.—Howard Young. Sec.—L. B. Popham. *Member Exec. Comm.
	1947	sq. mi.		42,465,000	25,092,146	♦3,703,769	11.65	†9,800,000	8,563,046	*6.05	5.11	*1.50	Nil	6,095,059	15,834,852	
*$1.50 pref. only. †Incl. provincial income taxes of $1,335,000 in 1948, $1,300,000 in 1947.																
ANGLO-NEWFOUNDLAND DEV. CO.■	1948	7,500	‡215,000	....	10,729,353	♦1,438,388	....	2,685,000	6,046,380	....	3.32	....	1.00	4,226,575	20,613,922	F. J. Humphrey, chm., Ridgewood, N.J.; E. M. Little, pres., Quebec, Que.; Philip Gruchy, vice-pres. and gen. mgr.; J. S. Goodyear, sec.-treas., Grand Falls, Nfld.; R. C. McMichael, W. H. Howard, Montreal; The Viscount Rothermere, A. S. Fuller, London, Eng.; E. A. Sursham, Markyate, Herts, Eng.; Grenville Beckett, Redhill, Surrey, Eng.; W. H. Coverdale*, New York, N.Y. *Deceased.
	1947	sq. mi.		....	9,585,571	♦1,289,550	....	2,721,301	5,237,187	....	3.02	....	1.00	3,501,882	16,280,742	
‡All products.																
BOWATER'S-NEWFOUNDLAND	*1948	11,230	300,000	26,965,656	5,504,896	♦973,748	4.96	....	3,617,595	1.45	1.32	4½%	8%	2,488,078	13,902,502	Sir Eric V. Bowater, pres., London, Eng.; G. S. Currie, 1st vice-pres., Montreal; H. M. S. Lewin, vice-pres. & gen. mgr.; J. G. Wyllie, G. H. Carson, jt. asst. gen. mgrs.; Corner Brook, Nfld.; C. G. Heward, Montreal; A. B. Meyer, Greenwich, Conn.; W. A. Reid, Hon. R. L. M. James, St. John's, Nfld.; J. H. Keeling, London, Eng.; A. Brackenridge, New York. Sec.—J. C. Fitzgerald. Treas.—W. Hardman.
	*1947	sq. mi.		27,319,156	5,162,842	♦953,047	4.72	....	3,317,632	2.21	1.52	4½%	10%	2,236,932	12,930,921	
Controlled by The Bowater Paper Corp. Ltd., London, Eng. *Year ended Sept. 30.																
CONSOLIDATED PAPER§	1948	17,874	673,064	31,547,000	25,778,235	4,263,883	19.99	7,200,000	11,737,833	....	4.58	....	1.00+0.75	7,248,210	32,902,344	L. J. Belnap*, chm.; G. M. Hobart*, pres.; Francois Faure, vice-pres.; N. J. Dawes*, W. H. Howard, G. M. Todd, R. H. McMaster*, E. A. Macnutt*, C. F. Sise, Hon. C. A. Dunning*; Montreal; H. D. L. Gordon, Toronto. Vice-pres. i/c mfg.—Richard Collins. Vice-pres. & compt.—George Henderson, Sec.—G. W. Hodgson. Treas.—D. L. Adams. *Member exec. comm.
	1947	sq. mi.		35,000,000	25,182,669	4,109,750	17.40	9,650,000	9,711,871	....	3.79	....	1.00+0.50	5,864,475	27,735,847	
DONNACONA PAPER§	1948	1,611	100,000	6,305,000	3,466,427	♦766,093	12.05	904,347	1,571,899	62.88	3.88	4.50	1.00	1,082,827	4,672,360	R. P. Kernan, chm., Quebec, Que.; L. W. Michael, pres. & treas., Donnacona, Que.; Hugh Mackay, vice-pres., Rothesay, N.B.; Gaston Pratte, vice-pres.; C. A. Cannon, Major-Gen. T. L. Tremblay; Quebec, Que.; Hon. G. B. Foster, A. O. Ponder, Montreal; C. Aubrey Crabtree, Edmundston, N.B. Sec.—P. L. Fitzgerald.
	1947	sq. mi.		6,500,000	3,168,542	♦660,925	11.53	1,044,938	1,245,174	49.81	3.01	4.50	†1.75	756,102	3,646,752	
‡Not including int. on notes. †Incl. 75c. charged to 1946 accounts.																
DONOHUE BROS.▲	1948	500	*60,000	‡725,000	1,038,957	♦189,662	....	315,229	534,066	....	3.56	....	1.00	384,066	1,974,132	Chas. Donohue, chm.; G. T. Donohue, pres.; Mark Donohue, vice-pres.; A. E. Beauvais, sec.; Maj. P. M. A. Simard, asst. to pres.; Lt.-Col. L. J. A. Amyot; Quebec, Que.; J. D. Coffin, New York.
	1947	sq. mi.		‡500,000	1,150,108	♦171,609	....	467,147	511,352	....	3.41	....	1.00	361,352	1,709,435	
‡Long term notes only; in 1948 there was also long term loan of $64,208. *Includes groundwood pulp.																
										A & B						
GREAT LAKES PAPER■	1948	3,500	140,000	6,022,000	5,346,966	♦1,139,299	19.72	1,530,000	1,983,800	10.15	4.03	♦	1.60	982,720	5,787,895	Hon. W. E. Rowe, pres. and man. dir.; Maj.-Gen. D. M. Hogarth, vice-pres.; R. G. Meech, A. G. Walwyn, W. C. Cochrane, Col. M. C. G. Meighen; Toronto; Hon. Ray Lawson, Oakville, Ont.; Joseph Horner, Jr.*, Green Bay, Wis.; J. H. Barry*, Detroit, Mich. Vice-pres. i/c sales—J. E. Gefaell. Sec.-treas. and asst. to pres.—Charles England. Asst. treas. and compt.—F. K. Carlisle. *Representing publishers.
	1947	sq. mi.		5,990,000	5,366,397	♦1,003,620	23.84	2,030,000	1,805,159	9.15	3.59	♦	0.40	1,276,509	4,239,305	
♦Paid 1948 and 1947, A $2.50, B $1.20.																
LAKE ST. JOHN PWR. & PAPER■	1948	2,059	102,600	5,980,600	4,389,211	♦689,803	†11.73	1,295,000	2,016,931	112.05	19.09	6.00	8.00	1,108,931	5,186,688	J. I. Rankin, chm.; P. M. Fox, pres.; N. A. Timmins, Jr., J. E. L. Duquet, vice-pres.; A. K. Cameron, A. H. Campbell, H. C. Flood, Hon. G. B. Foster; Montreal; Hugh Mackay, Rothesay, N.B.; J. A. McDougald, R. E. Fennell, Toronto; Aubrey Davis, Newmarket, Ont.; Hon. David Van Alstyne, Jr., Arthur Ross, A. D. Emil, E. L. Elliott, New York. Gen. mgr.—G. A. Jacques. Compt. & sec.-treas.—L. A. Tucker. Asst. compt. & sec.-treas.—C. W. Davison.
	1947	sq. mi.		5,980,600	3,870,196	♦690,762	†10.11	1,425,000	1,338,383	74.35	12.30	6.00	6.00	630,383	3,654,574	
Controlled by St. Lawrence Paper Mills Co. Ltd. and St. Lawrence Corp. Ltd. †Combined bond and debenture interests.																
JAMES MACLAREN CO.▲	*1948	2,600	105,000	....	3,753,591	454,520	....	1,313,000	1,986,131	....	....	....	....	....	....	A. B. Maclaren, pres., Ottawa; A. R. Maclaren, vice-pres.; H. W. Cressy, mgr.; J. A. Bryant, sec.; Buckingham, Que.; C. H. Maclaren, Ottawa.
	*1947	sq. mi.		....	3,718,580	411,323	....	1,500,000	1,807,257	....	....	....	....	....	....	
Wholly owned by Maclaren Power & Paper Co. *Year ended Nov. 30.																
MERSEY PAPER CO.	1948	3,800,000	120,000	2,000,000	*4,321,082	633,819	46.76	1,244,489	2,363,923	65.27	11.10	‡4.50	0.50	2,101,792	3,645,714	B. J. Waters, pres. & gen. mgr., Liverpool, N.S.; J. McG. Stewart, vice-pres.; J. C. MacKeen, Halifax, N.S.; George Killam, Yarmouth, N.S.; R. L. Seaborne, J. H. M. Jones, Liverpool, N.S. Sec. and treas.—J. A. Parker.
	1947	Cords		1,200,000	*3,473,293	641,483	26.70	1,168,656	1,557,095	42.99	7.03	†2.75	Nil	1,830,062	3,059,198	
*After depletion. †Old 5½% pref. ‡New 4½% pref.; arrears and accrued dividends of $47.42 per sh. paid on old 5½% pref. on redemption Mar. 1, 1948.																
MINNESOTA & ONTARIO PAPER§	1948	10,000	186,000	2,526,150	12,090,122	♦1,983,360	130.20	3,863,400	5,965,740	....	4.64	....	2.00	3,385,752	10,974,459	R. H. M. Robinson*, chm.; D. D. Davis*, pres.; J. B. Faegre*, C. T. Jaffray*, H. W. Sweatt*, D. F. Bull*, Minneapolis; Serge Semenenko, Boston; C. S. Garland, Baltimore; G. A. Dobbie, Galt, Ont.; R. S. Waldie, Toronto. Vice-pres.—R. W. Andrews, C. T. McMurray. Sec. and treas.—R. D. Main. Compt.—E. A. Johnston. *Member executive committee.
	1947	sq. mi.		2,684,100	12,445,049	♦1,696,254	129.60	4,512,400	5,753,359	....	4.46	....	1.50	3,818,362	11,662,652	
PACIFIC MILLS§	*1949	.....	87,000	....	6,276,352	♦1,073,869	....	1,855,951	3,283,295	164.26	10.54	6.00	2.50	2,413,361	8,420,778	P. E. Cooper, pres.; J. A. Young, 1st vice-pres. & treas.; H. C. Pim, vice-pres.; J. H. Lawson, sec.; E. W. Hamber, M.D., Hamilton, W. D. McLaren, W. E. Wintemute. Vice-pres. — T. B. Jackson. Compt.—G. J. C. Hodson.
	*1948			....	4,993,363	♦980,037	....	1,466,100	2,484,372	124.29	7.88	6.00	†2.50	1,464,438	5,913,769	
Controlling interest held by Crown Zellerbach Corp. of United States. *Year ended April 30. †Also paid $2 on old stock before 4-for-1 split.																
POWELL RIVER§	1948	625	278,000	....	13,799,516	♦2,168,219	....	4,324,000	7,307,297	....	5.43	....	1.60+1.15	3,609,386	7,885,170	H. S. Foley, pres.; M. J. Foley, exec. vice-pres.; G. W. O'Brien, vice-pres.; J. H. Lawson, sec.; A. H. Williamson, W. S. Brooks; Vancouver; D. A. Evans, Powell River, B.C.; Edward Brooks, Anson Brooks, Minneapolis, Minn.; R. H. Scanlon, San Francisco; J. G. Sample, Chicago. Res. mgr.—R. M. Cooper. Compt.—J. A. Kyles.
	1947	sq. mi.		....	12,188,249	♦1,596,900	....	4,579,000	6,012,349	....	4.47	....	1.35+1.40	2,314,438	7,267,688	
PRICE BROS. & CO.§	1948	7,760	425,000	8,835,000	15,373,744	♦2,287,000	*44.34	4,750,000	7,986,717	159.73	14.21	4.00	‡6.00	†2,999,575	24,224,178	H. J. Symington, chm., Montreal; A. C. Price, pres., Quebec, Que.; A. A. Aitken, vice-pres.; J. D. Johnson, J. C. Newman, P. F. Sise, W. A. Arbuckle; Montreal; Col. C. H. L. Jones*, Alfred Marois, A. C. Picard, A. C. M. Thomson, Quebec, Que.; Sir Keith Price, London, Eng. Vice-pres. & gen. mgr.—G. F. Layne. Vice-pres.—M. R. Kane. Vice-pres. & sec.—Hector Cimon. Vice-pres. & treas.—P. W. Sims. *Deceased.
	1947	sq. mi.		9,335,000	14,380,055	♦2,176,000	39.35	5,775,000	6,118,897	122.38	10.80	4.00	3.00	†3,275,326	19,013,999	
*After bank interest totaling $56,118. ‡Including $2 paid Feb. 1, 1949. †After contingent reserve of $1,500,000 in 1948, $1,000,000 in 1947.																
ST. LAWRENCE PAPER MILLS■▲	1948	1,602	189,700	....	5,566,896	♦901,919	....	1,435,000	2,973,745	†*23.81	*1.85	†*3.00	1.75	591,834	5,571,101	J. I. Rankin, chm., P. M. Fox, pres.; N. A. Timmins, Jr., J. E. L. Duquet, vice-pres.; A. K. Cameron, H. C. Flood, A. H. Campbell, Hon. G. B. Foster; Montreal; Hugh Mackay, Rothesay, N.B.; J. A. McDougald, R. E. Fennell, Toronto; Aubrey Davis, Newmarket, Ont.; Hon. David Van Alstyne, Jr., A. D. Emil, E. L. Elliott, Arthur Ross, New York. Gen. mgr.—G. A. Jacques. Compt. & sec.-treas.—L. A. Tucker. Asst. compt. & sec.-treas.—C. W. Davison.
	1947	sq. mi.		....	4,646,650	♦907,963	....	1,530,000	1,918,221	†*15.36	‡*0.84	♦	Nil	700,812	4,525,119	
Controlled by St. Lawrence Corp. †First pref. only. *On second pref. $19.57 ($9.36) earned; $1.20 per sh. pd. *After allowing for 2nd pref. sinking fund. ‡New stock. ♦On old pref. pd. $6.00 divd. plus $3.75 on arrears; none on new 1st or 2nd pref.																

♦Including depletion. dDeficit. ■Also produces sulphite pulp. ▲Also produces groundwood pulp. §Also produces pulp, kraft and other wood products.

Fine and Specialty Paper Group

Company	Year	Wood Resources Cords or Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	Directors
EDDY PAPER CO.§	1948	5,800	150,000	6,641,000	2,802,418	♦931,993	8.13	510,000	703,410	3.52	2.52	1.00	Nil	503,410	6,192,254	W. G. Weston, chm.; G. G. Gale, vice-chm.; W. S. Kidd, pres. & man. dir.; Ottawa; H. J. Coon, R. A. Robertson, C. L. Gundy, H. W. Lofft, Toronto. Vice-pres.—J. F. Taylor. Gen. mgr.—A. Welch. Sec.-treas.—R. F. Caldwell.
	1947	sq. mi.		4,000,000	2,230,232	♦891,449	9.56	473,000	564,757	2.82	1.82	1.00	Nil	364,757	4,528,408	
PROVINCIAL PAPER▲	1948	2,000	63,500	....	2,455,535	206,617	....	790,000	1,201,914	60.10	3.32	2.00	Nil	1,161,914	4,135,304	D. W. Ambridge, pres.; W. H. Smith, vice-pres.; W. S. Barber, sec.-treas.; A. P. Jewett, gen. mgr.; C. B. Davis, Howard Young, Allan Graydon, J. S. D. Tory; Toronto.
	1947	sq. mi.		....	2,447,031	188,320	....	985,000	1,055,511	52.78	2.90	2.00	0.75	753,011	2,925,147	
All common stock owned by Abitibi Power & Paper Co. Ltd.																
HOWARD SMITH PAPER§	1948	2,000	132,400	8,200,000	8,860,808	♦2,029,547	33.59	2,286,165	3,377,622	21.11	9.19	2.00	1.50	2,558,368	8,000,250	Harold Crabtree, chm.; E. Howard Smith, pres.; E. K. Robinson, exec. vice-pres.; G. H. Tomlinson, vice-pres.; A. B. Wood, deGaspé Beaubien, W. A. Arbuckle, Howard Murray, J. D. Johnson, Col. R. D. Harkness, W. H. Howard; Montreal; J. H. Gundy, C. L. Burton, A. E. H. Fair, Toronto. Sec. and treas.—K. G. Pendock. Controller—J. R. Leslie.
	1947	sq. mi.		6,600,000	7,949,809	♦1,636,721	39.01	2,790,850	1,906,651	11.92	4.77	2.00	1.00	1,253,815	8,486,504	
ROLLAND PAPER	1948	.....	25,000	1,675,000	95,819	304,526	Nil	....	■162,874	d9.58	d3.92	3.18¾	0.30	■235,062	732,170	J.-Pierre Rolland, pres., Montreal; Hugh Mackay, vice-pres., Rothesay, N.B.; Olivier Rolland, vice-pres., Mont. Rolland, Que.; J. A. Raymond, J. A. Weldon, Alderic Laurendeau, Montreal; Jean Paul Rolland, St. Jerome, Que.; J. Y. Murdoch, Toronto. Sec.-treas.—J. A. Forget.
	1947			1,750,000	997,857	282,186	11.02	320,000	330,734	12.10	2.22	4.25	0.60+0.15	88,483	1,274,610	
■Deficit after applying tax credit of $109,130.																
										A	B	A	B			
WESTMINSTER PAPER	*1949	.....	20,000	800,000	582,313	129,507	17.46	155,000	268,266	2.68	0.73	♦	♦	178,266	540,749	J. J. Herb, chm.; Bellingham, Wash.; E. M. Herb, pres. & man. dir., New Westminster, B.C.; F. J. Herb, vice-pres., Bellingham, Wash.; F. F. Foote, sec.-treas.; J. G. Robson; New Westminster; A. D. Lauder, R. L. Cliff, C. Bentall, Vancouver.
	*1948			880,000	634,745	161,915	20.56	180,000	268,185	2.68		†0.80		188,185	490,938	
*Year ended Jan. 31. †Old common; on Nov. 12, 1948, exchanged on basis of 1 new class A and 3 new class B shs. for common sh. held. ♦Paid 60c and 10c extra on old common also initial 12½c on class A and 2½c on class B (paid Jan. 31, 1949).																

§Also mfrs. pulp products and by-products. ♦Including depletion. ▲Also produces groundwood and sulphite pulp. dDeficit.

Pulp Group

Company	Year	Wood Resources Cords or Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	Directors
										A	B	A	B			
BATHURST POWER & PAPER♦	1948	2,700	*122,000	3,500,000	3,629,293	♦636,695	27.60	1,190,000	1,685,486	‡4.21	†1.26	1.50+0.75	0.25	710,486	7,940,133	R. L. Weldon, pres.; P. A. Thomson, vice-pres.; Joseph Simard, A. J. Nesbitt, J. B. Woodyatt; Montreal; H. P. Robinson, Saint John, N.B.; R. G. Ivey, London, Ont.; Hon. G. P. Burchill, Nelson, N.B.; E. M. Little, Quebec, Que. Sec.-treas.—R. H. Christian.
	1947	sq. mi.		....	2,896,094	♦589,618	....	1,005,000	1,301,476	‡3.25	†0.72	1.50+0.12½	Nil	651,476	3,362,301	
*All products. ‡Before (†After) participating; cl. A earned $3.28 per sh. in 1948, $2.72 in 1947, after participation.																
B. C. PULP & PAPER	1948	265	135,000	5,800,000	6,037,510	♦851,588	24.69	1,750,000	3,225,922	579.99	31.87	7.00+†28.00	Nil	3,031,252	4,720,348	Lawrence Killam, pres. & man. dir.; George Kidd, vice-pres.; R. C. Buchanan, W. H. Malkin, K. C. Allen, Cecil Killam; Vancouver, B.C.; I. W. Killam, Montreal. Sec.—Miss E. M. Dominy.
	1947	sq. mi.		6,000,000	6,376,208	♦611,118	25.37	2,600,000	2,555,932	459.53	25.17	7.00	Nil	2,516,998	3,406,024	
†Arrears.																
BROMPTON PULP & PAPER§	1948	5,244	63,500	7,725,976	4,685,281	♦1,307,070	....	1,315,000	1,547,120	....	5.16	....	3.10	617,120	6,936,677	N. A. Timmins, Jr., pres.; P. M. Fox, vice-pres. and gen. mgr.; A. K. Cameron, A. H. Campbell, H. C. Flood, J. I. Rankin, J. E. L. Duquet, Hon. G. B. Foster; Montreal; Hugh Mackay, Rothesay, N.B.; F. C. Baker, Lennoxville, Que.; D. J. Salls, Sherbrooke, Que.; J. A. McDougald, R. E. Fennell; Toronto; Aubrey Davis, Newmarket, Ont.; Hon. David Van Alstyne, Jr., A. D. Emil, E. L. Elliott, New York. Compt. and sec.-treas.—L. A. Tucker. Asst. compt. and sec.-treas.—C. W. Davison.
	1947	sq. mi.		4,425,976	3,623,584	♦988,478	....	1,500,000	789,822	....	2.63	....	1.00	489,822	3,174,402	
Controlled by St. Lawrence Corp. Ltd.																
BROWN COMPANY**	1948	‡3,852	*187,500	17,300,400	▲8,888,386	1,813,816	†6.11	2,300,000	3,936,278	27.31	1.54	Nil	Nil	3,936,278	17,745,896	F. G. Coburn, pres., New York, N.Y.; O. B. Brown, Berlin, N.H.; J. B. Challies, G. B. Gordon, A. D. Emory, Montreal; R. Howard Webster, Montreal; H. P. Kendall, Boston, Mass.; L. F. Whittemore, Pembroke, N.H.; J. H. Fahey, Little's Point, Swampscott, Mass. Vice-pres. and treas.—E. H. Maling. Vice-pres.—D. P. Brown, H. G. Schanche, Wentworth Brown. Sec.—J. W. Jordan. Controller—H. G. Brush.
	1947	sq. mi.		18,799,300	▲6,940,612	1,285,778	†5.86	1,975,000	2,837,682	19.64	0.99	Nil	Nil	2,837,682	16,113,512	
‡Incl. Brown Corp., wholly-owned Canadian subsidiary. *Brown Co., 60,000; Brown Corp., 127,500. ▲After depletion. †Based on earnings available for bond interest in accordance with trust deed.																
DRYDEN PAPER**	*1948	1,100	45,000	1,425,000	1,675,927	♦406,097	20.63	495,000	682,548	....	3.75	....	1.00+0.20	474,148	1,757,882	F. A. Sabbaton, pres.; Grand'Mere, Que.; E. L. Goodall, vice-pres. and man. dir., Port Arthur, Ont.; George Chahoon, Grand'Mere, Que.; P. A. Thomson, J. B. Woodyatt, E. R. Parkins, H. J. Humphrey, J. R. S. McLernon, Montreal; E. M. Little, Quebec, Que. Gen. mgr.—L. A. Bruce. Sec.—J. B. Davison. Treas.—David Young.
	*1947	sq. mi.		1,500,000	1,225,195	♦331,047	14.50	413,500	396,213	....	2.64	....	0.60	306,213	1,290,246	
*Year ended Sept. 30.																
FRASER COS.▲	1948	5,942	220,000	6,300,000	10,970,411	♦1,816,913	49.81	3,370,000	5,599,748	‡	*7.55	....	♦	3,930,175	8,572,318	Harold Crabtree*, chm., Montreal; Aubrey Crabtree*, pres. and gen. mgr.; L. M. Sherwood*, vice-pres. and controller; Edmundston, N.B.; A. H. Campbell, Hon. F. P. Brais, H. P. Thornhill, A. M. Irvine*, Montreal; S. F. Duncan*, Toronto; John Neill, Fredericton, N.B.; G. E. Barbour, Saint John, N.B. Sec.—G. G. Gillies. Treas.—H. H. Henderson. *Member executive committee.
	1947	sq. mi.		6,650,000	9,045,248	♦1,636,392	38.49	3,235,000	3,981,356	....	*5.37	....	†2.00+1.50	2,682,800	6,271,729	
‡50,000 new 4¾% pref., $100 par, authorized and issued in Dec., 1948. *New common after 2-for-1 split in Dec., 1948, but before allowing for dividends on new 4¾% pref. ♦50c plus 12½c payable on new common and $2.25 plus $1 paid on old. †Old stock.																
MINAS BASIN PULP & POWER	1948	265	30,000	1,220,000	*530,440	95,128	10.41	130,780	212,697	....	12.51	....	1.50	187,197	797,224	D. W. Murray, chm. & vice-pres.; R. A. Jodrey, pres.; J. J. Jodrey, man. dir. & purch. agt.; G. H. Nichols, treas.; B. R. Alexander, L. G. Bishop; Hantsport, N.S.; G. A. Chase, L. B. Chase, Port Williams, N.S.; F. M. Covert, F. C. Manning, R. W. Harris, Halifax; K. L. Crowell, Bridgetown, N.S.; D. S. Hennigar, Berwick, N.S.; C. G. Hawkins, Milford, N.S.; C. P. Wyman, Portneuf, Que. Sec.—G. A. Bent.
	1947	sq. mi.		960,000	*807,952	65,728	18.91	336,424	266,550	....	15.68	....	1.00	249,550	423,904	
*After int. on loans.																

**Also produces kraft, manila and building papers, bags, etc. §Also produces kraft, building, specialty and newsprint papers. ▲Also produces bond and specialty papers and lumber products. ♦Also produces kraft and cylinder board and newsprint paper. ♦Including depletion.

Miscellaneous Group

Company	Year	Wood Resources Cords or Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	Directors
BARBER-ELLIS OF CANADA	1948	.....	......	280,100	467,445	56,718	24.44	164,350	229,571	191.31	5.12	3.50	1.00+0.50	159,371	962,345	E. H. Ellis, chm. and pres., Toronto; C. G. Ellis, vice-pres. and gen. mgr., Brantford; Harold Holt, sec.-treas., Toronto; J. S. Ellis, Montreal; Arthur Fogler, T. A. Thornton, K. W. Murphy, Toronto; A. E. Nelson, Winnipeg.
	1947	.....	......	280,100	‡399,731	....	22.58	210,300	171,725	143.10	3.81	3.50	1.00+0.50	101,525	895,100	
‡After depreciation.																
BUILDING PRODUCTS	1948	.....	......	750,000	3,071,760	311,019	....	996,000	1,589,246	....	3.29	....	1.50	864,170	3,722,137	W. R. McNeil, chm.; L. S. Odell, pres. and man. dir.; L. F. Long, exec. vice-pres.; Winthrop Brainerd, G. H. Montgomery, J. D. Johnson, J. A. Eccles; Montreal; H. R. Tudhope, Toronto; P. R. Allen, East Walpole, Mass. Vice-pres.—S. M. Barclay, C. E. Turner, H. E. Pringle. Sec.-treas.—R. C. Crooker.
	1947	.....	......	675,000	3,325,577	284,203	....	1,456,500	1,557,374	....	3.22	....	1.20	977,313	2,987,220	
											A & B		A & B			
CANADIAN WALLPAPER	†*1949	.....	......	....	276,586	115,483	....	70,512	90,591	....	0.70	....	1.00	d38,655	1,433,412	Arnold Ashton, pres., Toronto; Alfred Whittle, vice-pres., Manchester, Eng.; John Prescott, sec.-treas.; R. N. Boxer, T. A. G. Staunton, F. M. Hulbig, J. P. Ramsay, R. R. Sparling, L. K. Redman, D. A. Mackenzie; Toronto; R. H. Gillean, H. S. Foster, R. H. Gillean, Jr., Montreal; Alfred Jackson, John Watson, Manchester, Eng.; Wm. Carver, Darwen, Eng.; A. R. Wildey, London, Eng.
	†*1948	.....	......	....	629,298	122,977	....	250,634	245,687	....	1.90	....	1.25	84,129	1,749,804	
†Consolidated statement. *Year ended April 30.																
										A	B	A	B			
CANADIAN WIREBOUND BOXES	*1949	.....	......	900,000	842,402	104,738	....	288,300	449,364	●7.94	‡4.17	1.50	1.00	288,056	1,680,859	A. M. Dunn*, pres. and man. dir.; S. B. Playfair*, vice-pres.; J. S. Dickson, Carr Hatch, R. J. Dunn, B. Gordon McMillan*, H. L. Trapp; Toronto; A. K. Cameron, Montreal. Sec.—D. F. Hazell. Treas.—F. H. Ellis. *Member exec. comm.
	*1948	.....	......	950,000	826,029	95,159	....	353,221	377,649	●6.68	‡3.46	1.50	1.00	223,511	1,519,889	
*Year ended April 30. ●Before (‡after) participation.																
CORRUGATED PAPER BOX	1948	.....	......	153,000	506,109	69,337	....	154,070	276,725	61.49	5.41	5.00	1.00	207,225	1,085,451	J. A. Whealy, pres. & treas.; Wm. Zimmerman, vice-pres.; Toronto; F. L. Clouse, man. dir. folding carton div.; Harold Fry, Toronto; Henry Hilton, Winnipeg. Mgr.—W. R. Hilton. Sec.—E. R. Bluethner.
	1947	.....	......	220,000	492,445	63,551	....	190,000	231,636	51.47	4.45	5.00	1.00	162,136	972,196	
DOMINION CONTAINERS	1948	.....	......	410,000	231,370	69,126	....	57,214	83,001	32.87	†6.13	7.00+‡8.25	*Nil	44,495	251,643	C. N. Moisan, pres. & gen. mgr.; Hon. Wilfrid Gagnon, J. A. Moisan, vice-pres.; Mendoza Langlois, T. M. Barrington; Montreal. Sec.-treas.—T. A. Moisan.
	1947	.....	......	445,000	372,035	69,811	....	135,786	129,376	51.24	†10.48	7.00+‡4.50	*Nil	100,339	422,700	
†Class A only before partic.; after partic. earned $3.63 in 1948, $6.20 in 1947; class B earned $4.01 before and $1.81 after partic. in 1948, $7.15 and $3.10 in 1947. ‡Arrears. *Classes A and B.																
GAIR CO. CANADA	1948	.....	......	....	2,274,084	297,978	....	720,818	1,250,372	92.62	8.74	4.00	3.00	688,945	3,299,344	G. W. Brown, pres. and gen. mgr.; C. E. Whitten, vice-pres. and treas.; G. M. Willoughby, sec.; Toronto; G. E. Dyke, Ossining, N.Y.; T. R. Pierce, Wellesley, Mass.
	1947	.....	......	....	2,265,217	263,365	....	942,244	1,032,415	68.83	8.23	3.00	3.00	627,415	2,973,635	
Common stock all owned by Robt. Gair Co. Inc.																
HENDERSHOT PAPER PROD.	1948	.....	......	....	57,702	21,590	....	14,004	22,108	8.84	0.32	5.00	1.00	d20,392	103,267	G. W. Hendershot, pres. & gen. mgr., Hamilton, Ont.; T. R. Harrison, vice-pres., Toronto; J. C. Colclough, sec.-treas.; S. S. DuMoulin, Argue Martin, Hamilton, Ont.
	1947	.....	......	....	104,761	18,012	....	40,557	46,192	18.48	1.11	5.00	0.55	16,880	117,675	
HINDE & DAUCH PAPER	1948	.....	......	....	1,588,925	168,382	....	510,000	799,793	....	2.67	....	1.00	499,793	3,287,774	Sidney Frohman, pres., Sandusky, Ohio; L. F. Winchell, vice-pres. & gen. mgr., Toronto; J. H. Macleod, sec., Sandusky, O.; T. E. Lloyd, treas.; M. H. McArthur, gen. sales mgr.; R. L. Warren; Toronto; C. E. Frohman, Sandusky, O.; M. H. Murch, Cleveland, O. Asst. to gen. mgr.—W. H. Palm.
	1947	.....	......	....	1,911,221	190,874	....	785,000	935,347	....	3.12	....	1.00	635,347	2,073,291	
J. C. WILSON	1948	.....	......	....	343,802	91,471	....	90,032	162,299	....	0.98	....	0.60+0.10	46,274	845,198	J. C. Wilson, pres. & gen. mgr.; F. H. Wilson, vice-pres.; W. R. Pollock, sec.; E. A. Senez; Montreal; E. K. Wilson, Lachute Mills, Que. Treas.—A. S. G. Henderson.
	1947	.....	......	....	307,870	50,245	....	98,963	158,662	....	0.96	....	0.60	59,212	1,108,056	

dDeficit.

Drop in Woodpulp Exports and Prices Expected to Bring Lower Output in '49

(Continued from page 42)

fax and through agents in Western Canada.

Capacity is approximately 66,000 tons per annum groundwood pulp, 50,000 tons unbleached sulphite pulp and 28,000 tons bleached sulphite pulp. The converting plants have annual capacity of about 500,000 cases of toilet paper, serviettes and towels combined and about 150 million grocery bags. An important factor in product quality is the company's water filtration plant which filters 6 million gal. per day and screens 14 million gal. per day.

Total 1948 production was more than 135,000 tons of paper and paperboard, about equal to 1947. Plants on the Ottawa River at Ottawa, Ont., and Hull, Que., have a combined rated capacity of 150,000 tons per annum finished products. The Ottawa plant previously leased from J. R. Booth Ltd. was purchased in 1946. Capital expenditures in 1948 amounted to $2,445,461, the main project being completion of the sulphite mill expansion in Hull, expected to eliminate dependence on outside sources for the supply of sulphite pulp, improve product quality and reduce cost. About $300,000 will be spent to complete projects in progress at the end of 1948, but capital expenditures in 1949 are expected to be substantially lower than those of 1948 and 1947.

Company timber limits, leases and licenses on over 5,800 sq. miles provide an estimated potential perpetual yield of 160,000 cords per annum.

Fraser Cos.

Fraser Cos. Ltd., manufactures sulphite and groundwood papers, chemical wood pulp, groundwood pulp, paperboard and lumber products. Its subsidiaries manufacture bond and other specialty papers and bleached sulphite paper and dissolving pulp.

Properties include a sulphite pulp mill, groundwood mill, and paperboard mill at Edmundston, N.B.; two sawmills and a shingle mill in Eastern Quebec and New Brunswick. In May, 1947, construction was begun on a new mill at Newcastle, N.B., initial capacity 120 tons daily, to manufacture unbleached sulphate, to be bleached in a plant being erected at Edmundston, N.B. Completion of the two units is expected by the end of 1949 at an estimated total cost of $6 millions.

Annual capacity of the pulp and paper making units has been increased from 153,000 tons in 1937 to 198,000 tons in 1948; will be further increased to 231,000 tons by 1950. These tonnages do not include pulp which is converted into paper products in the company's own mills. Annual plant capacities are estimated as follows: Edmundston, N.B.—high-grade unbleached sulphite pulp, 105,000 tons, of which approximately 80% is bleached; paperboard, 20,000 tons, and groundwood pulp, 35,000 tons per annum. Madawaska — high-grade sulphite paper, 75,000 tons, and catalogue paper, 42,000 tons. Athol —bleached sulphite pulp, 60,000 tons.

Fraser Cos. and its subsidiary, Restigouche Co., own or hold under license 5,570 sq. miles of timber lands and limits in New Brunswick and neighboring portions in Quebec, of which 1,557 sq. miles are freehold timber land, and 4,013 sq. miles are Crown lands held under licenses.

Most power for Edmundston plant is purchased from Gatineau Power Co., remainder is generated by company in hydro and steam turbine plants at Edmundston. Plants at Fraser Paper Ltd. and Restigouche Co. are supplied with power from their own steam turbine generators.

Consolidated earnings before provision for income taxes for the six months ended June 30, 1949, amounted to $2,840,147 compared with $4,368,411 for the corresponding period of 1948. Demand for a number of products has been less than producing capacity, President Aubrey Crabtree stated. Revenue for the second half of 1949 will be affected by a general reduction in prices for wood pulp effective July 1.

Modernization and improvement program cost $7,951,576 during 1948; it is estimated that $6.5 millions will be spent in the current year. Expenditures in 1950 are not expected to exceed $2 millions, Mr. Crabtree stated.

In December, 1948, the common shares were split on a two-for-one basis and $5 million 4¾% cumulative redeemable sinking fund preferred shares were offered to the public. Outstanding capitalization consists of $6,300,000, 2½%-3% first mortgage and collateral trust bonds; 50,000 shares, 4¾% cumulative redeemable sinking fund preferred stock, $100 par; and 742,034 shares common stock no par value.

Gaspesia Sulphite

Gaspesia Sulphite Co., wholly owned subsidiary of Anglo-Newfoundland Development Co., produces a high grade of unbleached pulp designed to meet U. S. market requirements. The parent company acquired the remaining minority interest of 84,500 shares early in 1949 by share-for-share exchange for Anglo-Newfoundland shares.

The plant of Gaspesia Sulphite had been idle for a number of years, but in 1937 Quebec passed special legislation to facilitate reopening. Gaspesia Sulphite received 524 square miles of timberland situated in the Gaspé Peninsula, and an additional area, not exceeding 600 miles of timber limits. The company's pulp mill is located at Chandler, Que. Further improvements were made in the mill during 1948 to increase productive capacity. Mill operated at capacity during 1948 and production was slightly higher than in 1947. Since the end of 1948 the market for unbleached sulphite pulp has shown some signs of weakening and price has been reduced $7 ton. Net profit for 1948 was $920,120 compared with $726,490 in 1947. Earned surplus at Dec. 31, 1948, amounted to $2,089,858.

Kimberly-Clark

Kimberly-Clark Corp. of Canada, a wholly owned subsidiary of Kimberly-Clark Corp., Neenah, Wis., operates a cellulose wadding mill on the Kapuskasing River, Ont.

Operations started July 1, 1945, and one machine with a trim of 120 in. and a capacity of 30 tons per day is producing at present. The plant also includes equipment to bleach its pulp requirements which are purchased from the contiguous plant of Spruce Falls Power & Paper Co. which also furnishes power requirements. The cellulose wadding mill consists of a building of reinforced concrete and tile construction, containing approximately 67,000 sq. ft. which accommodates two cellulose wadding machines. The company sells its products on the Canadian market. Total cost of the Canadian project was $1.9 millions.

Kimberly-Clark Corp.'s operations in Canada involve at seasonal peak approximately 5,300 men on works operation; average for the year round is 3,200. Total payroll is $6.5 millions. Various projects include operations of Spruce Falls Power & Paper Co., Long Lac Pulp & Paper Co. and Kimberly-Clark of Canada. Long Lac operations commenced in November, 1948, resulting in an anticipated $15 millions annually in United States dollars.

Individual operating statements or balance sheets have not been submitted for publication on Kimberly-Clark Corp. of Canada to date.

Lake St. John

Lake St. John Power & Paper Co., a subsidiary of St. Lawrence Paper Mills Co., operates a complete pulp and newsprint mill at Dolbeau on the Mistassini River just north of Lake St. John, Que., and has equipment for packing and shipping unbleached sulphite pulp.

Productive capacity is approximately 30,000 tons annually of sulphite pulp in addition to newsprint capacity of 102,300 tons a year. Production in 1948 totalled 101,604 tons of newsprint and 27,640 tons of sulphite pulp with a net sales value of $11,623,780, compared with production in 1947 of 99,788 tons of newsprint and 26,249 tons of sulphite pulp having a net sales value of $10,324,359.

Capital expenditures of $162,979 in 1948 chiefly covered electrical equipment and speeding up of machines.

A refunding issue of $2,981,000 3½% first mortgage bonds, series C, was sold in July, 1948, to provide funds for redemption of the old 5½% bonds. Present outstanding capitalization consists of the foregoing amount of first mortgage bonds plus $2,999,600 5% mortgage debentures due July 1, 1951; $1,800,000 6% preferred, non-cumulative, redeemable, $100 par (all held by St. Lawrence Paper Mills Co.); and 100,000 shares common stock, no par value (99,267 shares held by St. Lawrence Paper Mills Co.).

The company holds under conditional lease from the Province of Quebec 2,059 sq. miles of limits estimated to contain more than 12 million cords of pulpwood. These limits are located on the Mistassibi and Mistassini Rivers north of Lake St. John. The limits are estimated to be sufficient to meet present requirements in perpetuity.

Net profit for 1948 was up sharply at $2,016,931 compared with $1,338,383 in 1947. Net operating profit for the six months ended June 30, 1949, dropped to $552,270 as compared with $1,031,722 for the like period of 1948. The company attributes the reduction to a material drop in the general demand and reduction in selling prices of sulphite pulp.

Minas Basin

Minas Basin Pulp & Power Co. manufactures high-grade groundwood pulp and paperboard at Hantsport, N.S. The groundwood mill has a daily capacity of 90 airdry tons of groundwood pulp and the paperboard mill a capacity of approximately 50 tons of paperboard. The addition of three cylinders and 20 dryers to paperboard machine was completed and machine went into operation in July, 1949.

Major portion of groundwood pulp is sold to Scott Paper Co. in United States; a considerable quantity of lumber is exported. Company owns approximately 190,000 acres, operates two power plants on St. Croix River with capacity of 7,100 hp.

In order to finance plant additions, long-term indebtedness was increased by an issue of $300,000 4½% first mortgage sinking fund bonds. At Dec. 31, 1948, outstanding funded debt totaled $1,220,000 and capital stock consisted of 17,000 common shares, no par value.

Through 1948 groundwood pulp shipped totaled 21,259 airdry tons and shipments of lumber amounted to 28,394,417 superficial ft. (35,846,948 in 1947).

Net profit in 1948 amounted to $212,697 down from 1947's $266,550. Working capital increased from $423,904 to $797,224 and inventories were higher at $280,957 against $256,794. A further amount of $50,000 was provided from earnings against possible decline in inventory values.

Minas Shipping Co. is a wholly owned subsidiary. Controlled concerns include Annapolis Basin Pulp & Power Co., Canadian Keyes Fibre Co., Parrsboro Lumber Co., and Maple Leaf Lumber Co.

Quebec P & P

Quebec Pulp & Paper Corp. discontinued pulp production in 1930 and was placed in bankruptcy Oct. 19, 1942, following a petition of the Quebec Streams Commission on a claim for $1,824,000 for arrears of water dues on the Kenogami reservoir dam. The company and its three subsidiaries hold inactive groundwood pulp mills at Chicoutimi, Val-Jalbert, and Lake St. John. Freehold and leasehold timberlands are said to contain about four million cords of pulpwood and power sites are reported to have potential capacity of 50,000 hp. of which 36,000 hp. is developed at Chicoutimi and Val-Jalbert.

A bill passed in the Quebec Legislature in March, 1949, gave the provincial government power to purchase company assets for $1.5 millions. The Government already held the common stock but 70,000 preferred shares are still outstanding. Payment of the $1.5 millions by the Government to the estate liquidator, together with current assets on hand brought total assets to about $2.5 millions.

Under terms of the sale preferred shareholders are to receive $23 share it is announced. No mention has been made as to what the Provincial Government plans to do with the property. If total assets are valued at $2.5 millions it would appear that the Quebec Streams Commission may receive about $850,000 on its $2.5 millions claim.

Restigouche

Restigouche Co., a wholly owned subsidiary of Fraser Cos., manufactures bleached sulphite woodpulp, paper grade and dissolving grades, the latter including Resticose for the manufacture of rayon and Restophane for the manufacture of Cellophane.

The company holds approximately 1,495 square miles of freehold and Crown timberland in Quebec and New Brunswick, estimated to contain seven million cords of pulpwood. The company also owns property at Atholville, near Campbellton, N.B., on which is located a modern bleached sulphite mill of 200 tons daily capacity.

Saint John Sulphite

Saint John Sulphite manufactures bleached sulphite pulp at Fairville, N.S., at the mouth of Saint John River. The mill has a daily capacity of 140 tons or better of bleached sulphite pulp or annual production of approximately 40,000 tons. The mill was formerly operated by Port Royal Pulp and Paper Co., but acquired by the present interests in March, 1946.

The company owns an undivided freehold interest in timber lands located in the northeastern section of the State of Maine, on the watershed of the Saint John River. The undivided interest is representative of a sole ownership of 51,345 acres of timber lands and in addition the company owns 68,715 acres of timber lands in Carleton and York counties, N.B., adjacent to the Saint John River, making a total of 120,060 acres. The areas are estimated to contain 656,590 cords of spruce and balsam in addition to stands of pipe, cedar and hardwood.

Saint John Sulphite owns a 29.6% interest in the outstanding preferred and common shares of the Allagash Land Co., which owns 85,144 acres of timber land in Aroostook, Penobscot, Somerset and Piscataquis counties in Maine, containing an estimated 537,916 cords of pulpwood. The Allagash Land Co., in turn, owns 75 of the 130 issued shares of Heron Lake Dam Co. Saint John Sulphite's sole subsidiary is Allagash Improvement Co.

The properties in Maine include roads, bridges, dams, depots, camps and logging equipment. The log-driving facilities owned by the company include holding grounds, sorting gap, piers, booms and riparian rights on the Saint John River at Van Buren and Keegan, Maine and Lincoln, N.B. A balance sheet at Oct. 31, 1946 (latest available), showed current assets of $784,490 and current liabilities of $246,473. Funded debt at that date totaled $2.5 millions.

Canada's Largest Peacetime Industry

During the year 1948 the pulp and paper industry maintained its traditional place in the Canadian economy:

- First in Production
- First in Employment
- First in Exports and Investments

Gross value of pulp and paper production increased by nearly $100 millions. Production gains were made possible by increased capacity and efficiency. The expansion of pulp and paper exports contributed materially to the improvement of Canada's exchange position.

Salaries and wages paid some 51,000 permanent employees totalled approximately $146 millions. Payments to woods workers totalled nearly $132 millions. The industry was a major contributor to other Canadian industries and paid a total tax bill to Canadian governments of close to $100 millions.

Although to-day some segments of the industry are operating below capacity the industry is facing its problems and difficulties with courage and with a determination to meet whatever challenges arise. Improvements in plant and equipment and increased staff efficiency in the offices, the mills and the woods have highlighted post war achievements and will stand the industry in good stead in attaining an assured and certain future.

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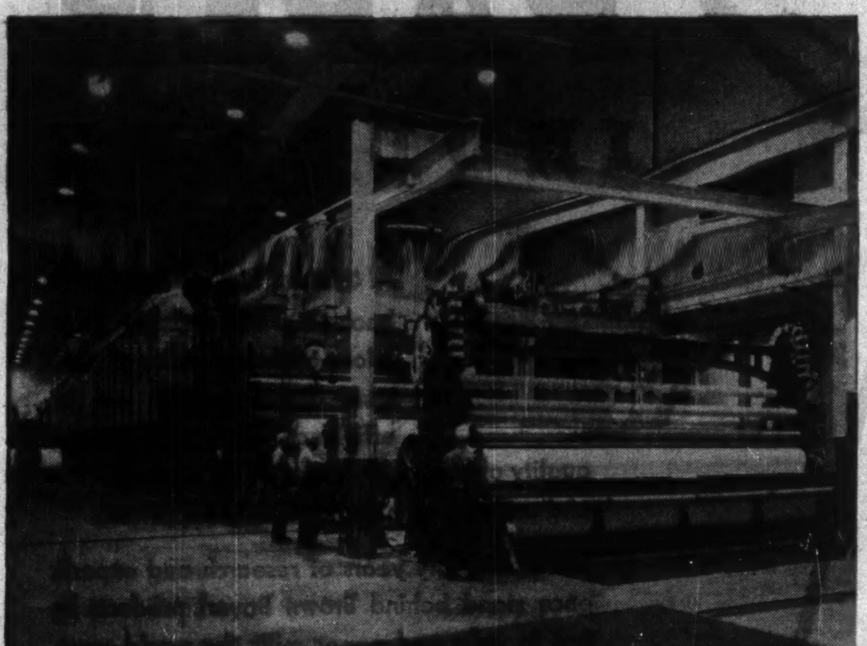
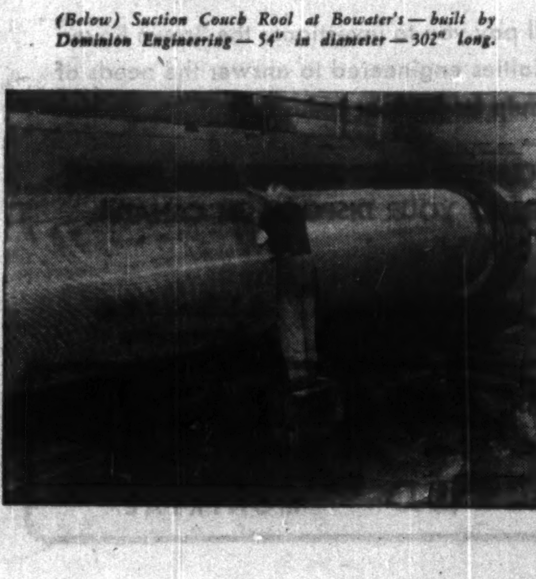


FROM Newfoundland to B. C. most Canadian pulp and paper mills use machines designed and built by Dominion Engineering.

Their production records provide convincing evidence of the company's continuing leadership in the development of modern paper-making equipment.

LARGEST IN THE WORLD

(Below) Suction Couch Rool at Bowater's — built by Dominion Engineering — 54" in diameter — 302" long.



One typical example is illustrated above — the new Dominion Engineering 284" paper machine installed at Bowater's Newfoundland Pulp and Paper Mills Ltd., Cornerbrook. It is designed for mechanically satisfactory operation up to 2000 feet per minute!

For detailed information on Dominion Engineering's complete facilities for the production of all types of industrial equipment, write P.O. Box 220, Montreal.

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MONTREAL CANADA
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ONE CONTRACTOR for all phases of CONSTRUCTION.

British Columbia Bridge and Dredging Company offers under a single direction, skills of highly varied and specialized natures, ample to execute ALL phases of construction work.

With its associated companies, it has total resources in personnel to handle projects of any magnitude.

Data on experience, resources and personnel readily supplied. Write W. G. Mackenzie, President, British Columbia Bridge & Dredging Co. Ltd., Vancouver, B.C.

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GENERAL CONTRACTORS

Reclamation and Dredging Specialists

Some recent construction work by British Columbia Bridge & Dredging Co. Ltd.

Pulp Mill at Port Alberni, B. C. for Bloedel, Stewart & Welch.
Extensive plant development for Powell River Paper Company.
Rock Excavation of Port Edward, B. C., for Columbia Cellulose Company.
Pulp Mill at Nanaimo for H. R. McMillan & Co.
Hydraulic Dredging for Dominion Government, Fraser River.
Sub aqueo rock drilling and dredging, Dominion Government, Victoria.

Emphasis On Pulp, Paper in B. C. Forests

Lumber Market Softens But Pulp Industry Continues Expansion

Past year's achievements in British Columbia's pulp and paper industry fit uniquely well the pattern which history, markets, and government policy have shaped for the province's forest industries.

With the giant Douglas Fir dropping from virtually 100% of the forest cut in pioneer times to 39% last year, B. C.'s forest operations, which last year accounted for almost half of the province's primary production, is in a changed environment. Adaptation to it can best be achieved, without loss of forest wealth, by converting lower-value wood into a high value product.

The pulp and paper industry, which contributes a third of the forest wealth but consumes only 10% of the annual cut, does just this.

The past year has brought a worrisome softening in the overseas market for B. C. lumber, but this has been simultaneous with the most rapid period of plant expansion which the pulp and paper industry has ever seen.

With nine mills already in operation, two more are under construction, a third is said "definitely assured," a fourth has been discussed in the Legislature for the interior region, and there is talk of others.

B. C. Turns to Pulp Paper

The result has brought the forest industries closer to what a conservation-minded government says they should be. Here is how Resources Minister E. T. Kenney explained the situation to the B. C. Legislature some months ago:

"The day of the tidewater export mill that took rough green lumber from the saw and stowed it away in the ship at the dock is past . . . Industry could afford in 1915 or 1925 to invest in a circular saw to manufacture a few million board feet of logs, and abandon the rig when the logs were gone. Industry in 1949 will not invest several million dollars in a 'paper machine' if it has to count its life in the term of 20 or 30 years — and we must have the 'paper machine' if we are to continue in the wood business on an export market."

Mr. Kenney is getting his "paper machines." And significantly — since he was referring to the government's 18-month-old and controversial system of "Forest Management Licenses" which permits a licensee to "crop" a certain area in perpetuity, subject to certain conditions — the first such license went to a pulp-using operator.

This was Columbia Cellulose Co., whose $31 millions investment is centred in an acetate mill at Port Edward on Watson Island, near Prince Rupert. It will produce 200 tons daily of high alpha pulp which will be processed in the United States by its parent, the Celanese Corp. of America.

This development means diversification in the B. C. pulp and paper industry, since the pulp is destined for manufacture into the "Celanese" group of fabrics, plastics, etc. Some prophets foresee the day when other cellulose industries will rival paper-making in the province.

There is, in fact, a more distant possibility that Columbia Cellulose Co. will carry its B. C. operations beyond the making of pulp for its U. S. parent. This would be particularly true if the Alberta Government finally decides to permit the export of natural gas through the proposed Alberta-to-Vancouver pipeline. Natural gas contains a chemical needed in "Celanese" manufacture.

Other Mills Coming

Now nearing completion is a sulphate mill for H. R. MacMillan Export Co. at Northumberland Channel, near Nanaimo. An early estimate of the cost was $12 millions. It will use rejects from the various MacMillan sawmills.

The mill which is said to be "assured" is the one which Canadian Western Timber Co. plans at Duncan Bay on Vancouver Island. Investment is stated to be around $35 to $40 millions, and the mill will be of 300-ton capacity. From the wood-utilization standpoint, it will not only use waste from the company's sawmill operations, but also will go one step further. It foresees 25 years' operation on the small logs which are left behind after the primary woods operations. These were formerly left standing, or broken on the ground to burn or rot. Construction of the B. C. Power Commission's new plant (government-owned) at Campbell River was a factor in the mill's establishment there.

When Premier Byron Johnson this year unveiled his coordinated plan for developing the B. C. interior — centred on the extension of the Pacific Great Eastern Railway and hydro-harnessing in the Quesnel area — one of the pieces in the pattern was the proposed establishment of a new pulp mill in the interior, probably around Quesnel. The premier gave the Legislature no names, but it is said unofficially that he was speaking on the basis of an actual approach made to the government and that the firm interested was Bowaters.

A glance at the province's forest inventory and the depletion rate in the various areas indicates why the government feels the interior regions are a fertile ground for further pulp and paper development.

Last year's cut from B. C. forests was 4.2 billion FBM. Adding in other factors such as losses by fire, insect, and decay, the depletion reaches the six-billion figure.

Interior Cutting Encouraged

Annual growth of these forest lands, well-moistured on the coastal regions, is sufficient to offset a six-billion FBM loss. But the catch is that growth on a province-wide basis can't offset a cut which is too concentrated regionally.

For example, 3.2 billion FBM of the 1948 cut was taken from coastal regions which are currently producing new growth at a rate of only 2½ billion FBM. This can't continue without exhausting some areas. Since a fair proportion of that coastal cut had been wasted in the past, the new pulp developments in the area — particularly the installation of waste-reducing hydraulic barkers — is a factor in getting greatest value from the cut.

From the smaller interior growth, only one billion FBM were cut in 1948. The government's forest experts say these areas can sustain an annual cut which is greater than this. Hence the encouragement given to further expansion here. The province makes the claim that, with Eastern woods operations already concentrated on pulp production and with cutting programs equalling growth in most areas, the most logical field for expansion of Canada's pulp and paper industry lies in B. C. and Western Alberta.

The government encourages this development by allowing a royalty rebate on the pick-up for salvage purposes of wood that would otherwise be wasted. In the scaler's terminology, this is known as "cubic footage," in contrast to the customary way of measuring the cut in FBM. Response is indicated by a 10-fold increase in "cubic footage" from 237,388 in 1947 to 2,520,691 in 1948. This represents the salvage pick-up of hemlock and balsam, chiefly in the Vancouver Forest District.

Why Industry Expanding

Other factors behind the pulp and paper expansion — the industry already has $122.5 millions invested, and is currently spending more than $82 millions — are these:

1. Available waste will, for some time, make for lower material costs than would be encountered if it were necessary to conduct forest operations solely to feed the pulp mills.

2. Tree species such as hemlock and spruce—while formerly less highly regarded than choice Douglas Fir for the old-type sawmill operation — make good fodder for the pulp mill. Furthermore, hemlock supplies in the important coastal region now outstrip those of the traditional Douglas Fir.

3. B. C. has more undeveloped waterpower than any other province, and has plans under way for harnessing more of it.

4. Temperate winters make for year-round operations in the woods; workers prefer this climate, but have been among the most insistent for high pay.

5. Population trends in both U. S. and Canada indicate more people on the Pacific Coast; water and rail provide easy transportation to these consuming areas.

These factors explain, not only the new projects already mentioned, but also considerable expansion within the existing mills.

Newest of the operating companies is Bloedel, Stewart, and Welch, Ltd., which completed a new sulphate mill at Port Alberni on Vancouver Island in the fall of 1947. It was the first big customer of the B. C. Power Commission's development on the Campbell River. Operating on slabs, trims, or rejects from its own sawmill nearby, it has progressively pushed production up to a 200-ton capacity.

Significantly, Bloedel, as well as MacMillan and Canadian Western (building and intending to build) were formerly in the B. C. woods for lumber operations only, such as sawn lumber, shingles, plywood, etc.

Capacity Increasing

The Powell River Co., a huge producer, had additional capacity this year as a result of the installation last fall of a new paper machine. It is regarded as one of the largest and fastest units in the industry. The company was the first to install a hydraulic barker — a factor in wood conservation — and the first to install a whole log chipper.

Pacific Mills Ltd.'s expansion, running in several millions, includes a high pressure steam generator — one of the largest in the industry — completion of a continuous cauterizing plant in its Kraft mill, installation of a new washer system, and replacement of digesters. With its main mill at Ocean Falls and a converting plant at Vancouver, the company has a diversified production of newsprint, Kraft and manila paper, liner and corrugating board, specialty papers, and pulp for sale.

B. C. Pulp and Paper Co. has carried out improvements at both its mills, first at Woodfibre on Howe Sound (near Vancouver) and then at Port Alice on Vancouver Island. High quality dissolving pulps constitute 83% of its production, with 73% sold in the U. S., 7% in Canada; and the remaining fifth going to eight other countries. Its predominantly export operation made it vulnerable to the drop in the U. S. market for rayon pulp, and some curtailment in production was made during the past year.

Sorg Pulp Co., operating at Port Mellon on Howe Sound, ships to its parent company, the Sorg Paper Co. of Middletown, Ohio, for further manufacture into containers. It has been alone among the B. C. companies in using interior jackpine, harvested along on PGE right-of-way and shipped through to the coast.

Controlling interest in the Sidney Roofing and Paper Co. was recently bought by the E. B. Eddy Co., which is a subsidiary of the Eddy Paper Co. Currently, Sidney is engaged in a $1 million expansion program which entails new machinery and some new construction. Its mill is at Victoria, B.C.

Westminster Paper Co., at New Westminster, doubled its plant capacity in 1948 in an expansion program which, since 1945, has seen a new paper machine installed and the erection of a ground wood mill. The latter aims at making the company more independent of outside sources of pulp. At present, it is gathering some 30% of its material from waste in the vicinity. The company, which has an affiliated mill at Bellingham, Wash., makes tissue paper, fruit wraps, and paper specialties. The bulk of the production at New Westminster is sold in the domestic market.

COMPANY REPORTS

STEEP ROCK IRON MINES in 1948 realized an operating profit of $812,496 equal to 2.4 times interest charges, but after $340,662 interest, $509,659 depreciation and $102,914 preliminary expense, a net loss of $140,738 is shown. Due to extensive preparations for future mining, only 686,091 tons of ore were mined against 1,206,000 tons in 1947.

Production of 1,200,000 tons of ore is scheduled for 1949 and on this production, a net profit of $1,500,000 or 20 cents a share, is expected after all charges. Expanded production from the Hogarth and Errington mines is scheduled to begin in 1952 and to reach a stabilized rate of four million tons in 1954. "Assuming the continuation of present costs and ore prices, such increased volume should reflect a better margin of profit and substantially increased net earnings," President D. M. Hogarth reports.

Additional capital for the $8 million expansion program has been provided by $5 million from the U. S. Import-Export Bank (secured by a first mortgage) and from private sale of $2 millions of 5% preference stock, convertible into common at $3 a share, and 720,000 common shares at $1.40 a share. Holders of the preferred stock were granted options, expiring in 1958, to purchase 333,332 shares of common at $3 a share.

Ore reserves down to a depth of 575 ft. in the Hogarth "A" mine and to 450 ft. in the Errington "B" mine are estimated at 71 million tons. But ore has been proven by drilling to twice these depths and potential ore reserves are estimated at "hundreds of millions of tons."

INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Production	$4,815,590	$7,049,559
Less:		
Trans. & mkt. exp.	1,893,353	3,113,886
Oper. exp.	1,855,263	2,394,488
Office exp.	28,422	29,658
Taxes & insur.	29,039	49,853
Oper. profit	1,009,513	1,461,674
Less: Replace pwr.	164,237	186,443
Sundry int. & exch.	32,779	29,116
Funded debt int.	323,750	323,615
Amort. debt disc.	16,912	16,912
Depreciation	509,659	356,530
Pre-prod. exp. w/o	102,914	784,060
Net loss & def.	140,738	235,002

CONDENSED BALANCE SHEET

As at Dec. 31:	1948	1947
Cash	$130,445	$293,836
Accts. rec.	88,665	959,070
Stores & supplies	469,010	410,044
Total curr. assets	708,120	1,662,950
Funded debt dep.	119,953	32,453
Pre-prod. exp.	6,778,115	6,881,029
Deferred accts., etc.	*2,053,516	424,927
Bldgs. & mach.*	1,206,490	1,062,561
Mining props.	4,351,822	4,351,822
Total assets	15,218,016	14,415,742
Accts. payable	1,323,876	404,750
Bonds & payts.	110,654	......
Other liabs.	122,332	158,559
Total curr. liab.	1,556,862	563,309
4% 1st mtge. bds.	5,000,000	5,000,000
5½% s.f. debs.	2,250,000	2,250,000
Res. for U. S. exch. on fund. debt	725,000	725,000
Int. res. fd.	32,453	32,453
S.f. res. fd.	87,500	......
Capital stock	6,170,511	6,170,511
Capital surplus	996,414	936,301
Less: Deficit	1,600,724	1,261,832
*After depr. of	1,115,947	660,410
Working capital	†848,742	1,099,641

†Excess of curr. liabs. over curr. assets.

*Includes $1,592,848 amount of stripping and pumping costs deferred.

ANGLO-CANADIAN
PULP AND PAPER MILLS, LIMITED
MANUFACTURERS OF
NEWSPRINT PAPER
AND
UNBLEACHED SULPHITE
DAILY CAPACITY 685 TONS NEWSPRINT
and 90 TONS UNBLEACHED SULPHITE PULP
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Owns timber limits on Bersimis, Sault-au-Cochon, and Montmorency Rivers, Quebec; owns and operates mill at Quebec City containing four large newsprint machines and one sulphite pulp drying machine.
OFFICES AT QUEBEC CITY
Direct Communication With Both Canadian Railways
PRIVATELY OWNED WHARF AT TIDEWATER

"OSMOTITE"
For Low Cost Wood Preservation!

LOW COST
. . . because all the equipment needed is a couple of pairs of tongs, a dipping vat or a mop.
LOW COST
. . . because with this simple treatment any "available" unskilled labour can be used.
LOW COST
. . . because "Osmotite" comes in 100% concentrated chemical power form The "Osmotite" treating solution is made with water at the job—saving transportation costs on useless evaporating vehicles.
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. . . the proven wood preservative for mining and other industries.
More than 300,000,000 b.ft. treated to date!
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SPECIAL PRODUCTS FOR DRY AND GREEN WOOD
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for profitable production of
Pulp for Wallboard or Roofing Felts . . .
. . . the Asplund DEFIBRATOR

Growing acceptance of the Difibrator method of producing pulp for hardboard, insulating board and roofing felt — from wood chips of round logs, or sawmill waste — proves two points — that Asplund pulp is superior for this purpose, and that the process is profitable.

The Defibrator method is a thermo-mechanical process. Separation of fibers takes place at temperatures high enough to soften the ligno-cellulose material. As a result, Asplund pulp is uniform and free, with individual fibers intact but well separated, and it has good felting properties. The yield is high (90-95% by weight on a b.d. basis) and both power and maintenance costs are extremely low.

for economical log barking . . .
. . . the Astrom CHAIN-BARKER

Cuts the cost of bark removal. As feed rolls advance the log through the machine and prevent it from turning, rotating chains under tension follow the log contour and completely strip the bark without damaging the wood.

The Chain-Barker is especially suitable for pulp wood operations, and can be transported from location to location as a unit. Power consumption and maintenance are low, and capacity is high.

for dewatering of wet bark . . .
. . . the Defibrator BARK-PRESS

Utilizes the Defibrator screw feed principle to expel water from wet bark. Compressed bark leaves the press with water content reduced to 53-55%. In this state, the bark burns easily, and has approximately half the fuel value of coal.

Power requirements are low. Throats and screws are stainless steel for low maintenance costs.

Facts and figures on these machines, and technical advice are available without obligation.

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CHRYSLER BUILDING NEW YORK 17, N.Y.
West Coast
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At a time when the industry is becoming increasingly conscious of the necessity of constant improvements — in efficiency of operation and quality of product — the wise choice of power and control equipment is vitally important.

More than fifty years of research and experience stand behind Brown Boveri products in use in pulp and paper mills the world over. Their record of long life and reliable operation is backed by Brown Boveri's unexcelled reputation for service.

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Canadian Kraft Pulp Capacity Expands

Ready for Competitive Market as Prices Level Off

In the past 10 years Canada has more than doubled its output of kraft pulp; 1948 production quadrupled 1934. At the same time, U. S. kraft manufacture (about five times our own) has shown corresponding or even greater increases. A great expansion in capacity has been carried out in response to broadened use for both bleached and unbleached sulphate in paper and paper products.

Canadian sulphate capacity by the end of the year will exceed one million tons annually, including over 400,000 tons bleaching capacity. Additions in the past two or three years include Bloedel, Stewart & Welch Ltd. in British Columbia; Marathon Paper Mills and Long Lac Pulp & Paper in Ontario. Fraser Companies are bringing into production a new 120-ton sulphate mill and bleaching plant in New Brunswick this year and H. R. MacMillan Export's new 200-ton mill is scheduled to start up next year at Nanaimo, B.C.

Prices of both bleached and unbleached kraft have taken quite a tumble since early this year. In January, European unbleached kraft was selling at $127½ a ton, Canadian and U. S. at $115-125; price range for both now is $94-105. European bleached was $165 a ton, Canadian and U. S. $136-147½; now $125-128 and $122-126 respectively.

At least one mill, Sorg Pulp Co. which shipped its output to its U. S. parent company, Sorg Paper Co. of Middletown, Ohio, has shut down its 150-ton-daily kraft operation at Port Mellon, B.C.

However, pulp men say that prices seem to have leveled out, that Canadian mills generally are still operating at a high percentage of capacity. Their dollar volume has shrunk, and 1949 earnings will be off from last year's record showing. But Canadian kraft has become an increasingly important factor in the pulp market compared with prewar, is expected to hold its own in these competitive times.

KVP Co.

The KVP Co. Ltd., a subsidiary of the Kalamazoo Vegetable Parchment Co., Parchment, Mich., produces bleached, semibleached and unbleached sulphate and unbleached groundwood pulp in its mills at Espanola, Ont. Paper production includes wrappings, specialties and newsprint.

The bleached kraft pulp mill was originally designed for a capacity of 200 tons per day. Improvements in equipment and operating technique have resulted in this being increased to 250 tons per day. Groundwood pulp capacity is 65 tons per day.

Most of the sulphate pulp production is exported to the Kalamazoo Vegetable Parchment Co. at Parchment, Mich., where it supplies the major part of the fibre needs for that company's six paper machines. At the same time two paper machines are operated at Espanola using a portion of the pulp produced. One of these machines operates continuously on the production of specialty and wrapping papers and the second is producing some newsprint along with other grades.

The company holds licenses on 5,077 square miles of Crown lands with another 630 square miles held under option. Approximately 170,000 cords of pulpwood are required annually; of this 12,000 cords are used for groundwood pulp manufacture, the balance for sulphate pulp manufacture.

It is estimated that sustained yield management of the KVP timberlands (including lands under option) will permit an annual yield of 125,000 cords of pulpwood—spruce, balsam, jackpine and poplar. The balance will be purchased from farmers, settlers and outside limit holders. Pulpwood supplies have been increased recently to keep pace with the higher rate of production. Reserves of new wood on hand at July 1, 1949, were 75,000 cords.

The over-all hydro-electric power capacity is 20,000 h.p. In addition the company operates a 2,000 h.p. steam turbine. Five alternating current generators produce approximately 15,000 h.p. from the water power. A portion of the balance of the water power is used for the production of direct current power which is utilized in the electrolytic plant to produce chlorine and caustic for the pulp bleaching needs of the Espanola operations. The balance of the water power is used directly in the groundwood operation.

The past year has seen the transition from construction and start-up conditions to those of a firmly stabilized manufacturing operation. A new building provides improved and enlarged machine shop facilities. In the wood room, various mechanical changes have been made, chief among which was the mechanization of the jack-ladder. In the kraft mill, additional black liquor washers and a new evaporator body have contributed to the increased production and efficiency of the mill. A new combustion engineering boiler with a capacity of 120,000 lb. per hour is presently being installed. In connection with the electrolytic plant, a new 5,000-ton-capacity brine tank of reinforced concrete construction has been erected which serves both as a storage tank and dissolving tank for salt brought to Little Current by vessel and thence transshipped to Espanola. This tank will supply the brine for the electrolytic department which produces the mill's needs of chlorine and caustic soda.

The associated company, Appleford Paper Products Ltd., at Hamilton, Ont., and Montreal, Que., operates as a paper converting company producing plain and printed waxing paper, bread wrapper, printed parchment, printed gummed tape, pie plates and milk bottle caps. This company during the past few months has moved into its new plant at Hamilton where improved facilities are already being reflected in increased volume, closer quality control and better customer service, it is reported. During the past year the Montreal plant has also been overhauled to provide increased capacity.

The townsite of Espanola is owned and operated by the Espanola Development Co. Over $1,000,000 has been expended on the original town properties to provide better housing and services for employees of KVP. A large number of new homes have been erected and most of the 285 houses in the town are owned by the Development Company. The population of Espanola and the immediate surrounding areas is over 4,500. During the current year a new motion picture theatre with a capacity of 500 people was opened. Three new stores have been opened during recent months and construction is under way for a public building which will house the postoffice, magistrate's court, police office and the offices of the Espanola Development Co. The Espanola Hotel, a three-story brick building, has been completely overhauled during the past year.

The company employs some 750 men in its pulp and paper mill operations. The mill and woods staffs total over 125. The woods payroll during the peak of the cutting season runs close to 1,000 men.

Individual financial statements are not submitted on the KVP Co. Limited.

Marathon

Marathon Paper Mills of Canada operates a 300-ton daily capacity high grade bleached sulphate pulp mill at Marathon, Ont. Controlling interest of this Canadian company is held by Marathon Corp., Rothschild, Wis.

The first digester blow of unbleached sulphate pulp was made on Sept. 20, 1946, and the bleaching plant went into operation in November. The plant was established in order to give Marathon Corp.'s paper mills and converting plants in the United States a dependable source of high quality sulphate pulp for use in manufacturing paper and paper boards for packaging, in which line Marathon Corp. is a leading producer. The mill has seven digesters of 3,260 cu. ft. each. Pulp is shipped by lake and rail to the parent company's mills at Rothschild, Menasha, and Ashland, Wis., and Menominee, Mich.

Wood supply is cut from the company's Pic River and Algoma Township Concession, an area of approximately 2,700 sq. miles. The spruce, jackpine and other suitable woods for sulphate pulp making by chemical process are driven down the Pic to Lake Superior at a point about 10 miles east of the mill. It is towed by boom to Peninsula Harbor and taken from the water to slasher and barkers. From stock piles along the bay front, the wood is automatically carried by conveyor belts to the chip building and from there to chip storage.

Over the last five years the company has completed a townsite at Marathon, Ont., with population of about 2,500. Several improvements were completed in the past year, namely, two churches, landscaping, sidewalks, street lighting, etc. Communication to date with the town has been by rail, water and air only, but work has now been started by the Province on completion of the highway between Marathon and Terrace Bay. Contractors are at work at present on eight miles east from Terrace Bay and six miles west from Marathon. It is hoped that within another year this highway link will be completed, giving Marathon access by road to the Lakehead and Eastern Ontario.

Power for the Marathon project is supplied by a 20,115 hp generating plant erected by the company.

Total cost of the Marathon project was approximately $33,000,000. There is no public investment in Marathon Paper Mills of Canada as its entire capital stock is held by Marathon Corp. Most of the output is shipped to the United States but some is being sold in Canada at present.

Brompton

Brompton Pulp & Paper Co. manufactures, directly and through its subsidiaries, groundwood pulp, kraft pulp and paper, fibre and specialty paper, boxboard, shipping case materials and lumber. The company is an operating subsidiary of St. Lawrence Corp.

Plants are owned and operated in East Angus and Bromptonville, Que., and at Red Rock, Ont. A groundwood pulp mill is operated by a subsidiary at Nipigon, Ont. Combined annual capacity of plants is 212,000 tons per annum as follows: 45,400 tons of kraft paper material and board, 5,000 tons of boxboard, 8,500 tons of sulphite pulp at East Angus; 75,000 tons kraft shipping material, 15,000 tons of sulphate pulp and 10,000 tons of groundwood pulp at Red Rock; 17,000 tons newsprint and 1[illegible],000 tons groundwood at Bromptonville, and 15,500 tons of groundwood at Nipigon.

Brompton also has three developed and two undeveloped water power sites on the St. Francis River, totalling approximately 15,000 h.p.

Limits consist of 1,644 square miles in Quebec, estimated to con-

(Continued on page 49)

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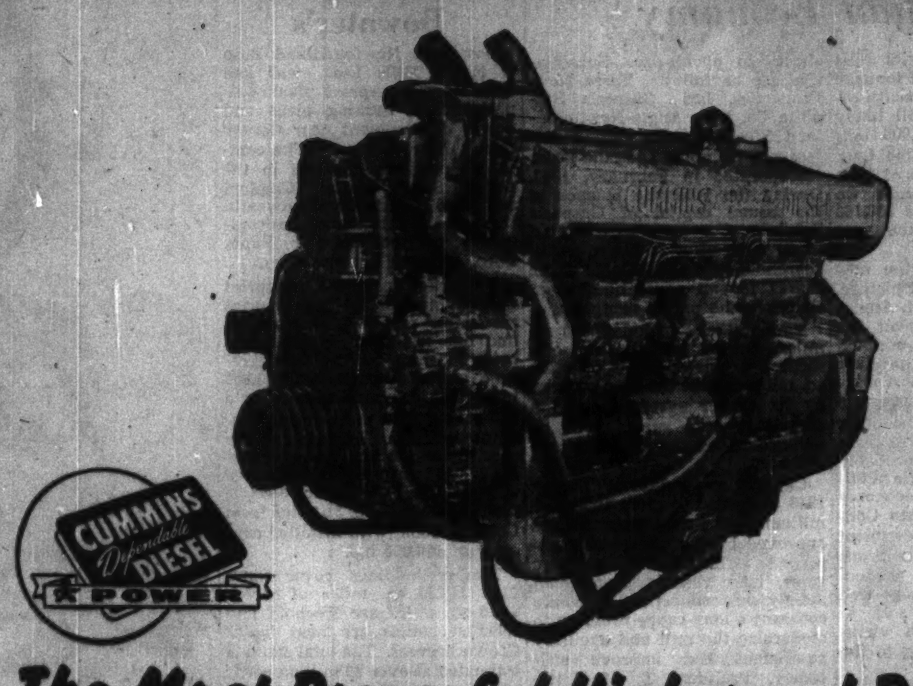

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Newfoundland Newsprint Big Asset to Canada

Adds $40 Million Yearly to Canadian Economy

Newfoundland's newsprint mills are turning out a record tonnage this year. Additional capacity installed late last year will likely result in an output 60,000 tons greater than 1948's 382,248 tons. In the first seven months of 1949, production from the island's two newsprint producers was 258,168 tons against 211,605 for the same period last year.

Newsprint dominates the new province's pulp and paper picture. In addition, however, both Anglo-Newfoundland Development Co. and Bowater's Newfoundland Pulp and Paper Mills produce sulphite pulp for the export market; Anglo-Newfoundland also makes paper wrappers and other products.

Pulp and paper was probably the most important single addition to the Canadian economy involved in the entry into Confederation last March. Newsprint alone adds over $40 millions yearly to this country's production; an increasing proportion (about 65%) is being sold in the United States, with virtually all the balance going to the United Kingdom.

Hit by $ Crisis

Britain's currency crisis is threatening to throw a small monkey wrench into the picture. Declining pulp prices and the U. K.'s dollar shortage may eliminate this traditional market for Newfoundland's sulphite pulp production. Recently an official of Bowater's said that the company may have to close down its sulphite mill at the end of the year, although this may be avoided if new markets are found.

With about 12,000 workers and payrolls of close to $30 millions, the pulp and paper industry's health is of considerable importance to Newfoundland's economy. Its growth has been a significant factor in the improvement in standard of living in recent years.

Anglo-Nfld.

Anglo-Newfoundland Development Co. Ltd. incorporated in Newfoundland in 1933, produces newsprint, sulphite, and groundwood pulp, wrapper and laminated board. The newsprint mill at Grand Falls, Nfld., has an annual capacity of 250,000 tons of all products. The groundwood mill at Bishop's Falls supplies the newsprint mills. Shipping port and railway facilities are operated at Botwood.

Through a subsidiary the company has interests in mining and steamship operations. Subsidiaries are as follows: Terra Nova Properties, Ltd., Gaspesia Sulphite Co. Ltd., Anglo-Newfoundland Steamship Co. Ltd., Montmorency Shipping Ltd., the latter incorporated in February, 1949. During the year the balance of the issued capital of Gaspesia Sulphite Co. was acquired through an offer to the minority shareholders to exchange their shares for an equal number of shares in the parent company.

Timber limits include 7,500 sq. miles. During 1948 the company secured exclusive rights on 6,250 sq. miles outside the area covered by its earlier agreement and a complete aerial survey will be undertaken as the first exploration step.

Capital expenditures during 1948 amounted to more than $1.5 millions and future expenditures approved by the end of 1948 exceeded $2,750,000. These large sums have been appropriated mainly in connection with the company's long-range program to modernize the mill and ancillary equipment and improve efficiency, President E. M. Little stated in the annual report.

The mill operated at improved efficiency and production increased by over 5,000 tons throughout 1948, but earnings declined as a result of loss or curtailment of export markets due to exchange difficulties. Net profit was equal to $6,046,380 compared with $5,237,187 in 1947. Per share earnings amounted to $3.33 ($3.02).

Working capital increased to $20,613,992 at Dec. 31, 1948, from $15,280,742 at the end of 1947. Inventories were higher at $13,064,143 against $11,055,199 at the end of 1947. Of this amount some $6 millions was in respect of pulpwood on piles and in woods and streams. The sum of $1 million was transferred from profit and loss surplus to a reserve against possible decline in inventory values.

The year marked a change in policy toward the company's town site, and initial steps were taken to drop some of the burden of town operating and at the same time give a greater measure of security and responsibility to employees. With certain exceptions the company-owned dwellings were offered to employee-tenants and their approval was demonstrated by the acceptance by the end of the year of 258 of them. Active studies are continuing to ascertain what further steps can be taken to make the town more self-supporting.

Bowater's

Bowater's Newfoundland Pulp & Paper Mills Ltd. owns and operates a newsprint plant, sulphite plant, barking plant and power development near Corner Brook, Newfoundland. The company's products are sold in the United States, United Kingdom and the British Commonwealth through the subsidiary sales companies of the Bowater Paper Corp. Ltd. and its associates.

Properties include a newsprint mill having four 234-in. newsprint machines, one 120-in. machine, and one 284-in. four-roll newsprint machine having an aggregate annual capacity of 300,000 tons. The company also owns a 160-in. sulphite pulp drying machine with an aggregate daily capacity of 175 tons or approximate 55,000 tons per annum. Power is provided by a hydro-electric plant at Deer Lake, 31 miles from Corner Brook, with installed capacity of 156,000 h.p.

Timber holdings cover more than 11,230 sq. miles of which 2,240 sq. miles are freehold and 8,990 sq. miles are held under Crown licenses. The total stand is estimated at over 20 million cords of pulpwood. Excluding the benefits of reforestation, it is considered sufficient to supply the mill requirements in perpetuity.

A program of expansion begun in 1946 was completed in 1948 at a cost of more than $7.5 millions. The program included speeding up the existing plant and machinery including the sulphite pulp mills. An additional six high-speed four-roll newsprint machine with annual capacity of 100,000 tons went into production in Oct., 1948, increasing annual capacity of the newsprint mills to approximately 300,000 tons. Capacity of the sulphite pulp mills is approximately 55,000 tons per annum. Installation of a new 100-ton a day groundwood pulp mill, construction of which had been deferred until completion of newsprint expansion, is once more being considered, Sir Eric Bowater, president, stated late in 1948.

Newsprint production was slightly higher in the fiscal year ended Sept. 30, 1948, than in the previous year. Drought conditions adversely affected power during the 1947-48 winter, but normal operations were resumed with the spring run-offs. Production of sulphite pulp was more than double that for the preceding 12 months although the plant was operated at less than full capacity.

Research has turned wood fibre into many products now common in industrial, business and household use, such as "Cellophane" and the wide variety of rayon materials. Another version is shown in this mackinaw coat of redwood bark fibre.

Net revenue for the year ended Sept. 30, 1948, totaled $5,504,896 compared with $5,162,842 in the previous year. Net profit was slightly higher at $3,617,595 ($3,317,632) equal to $1.45 per preferred share ($2.21).

A distribution of $2,020,000 from earned surplus was made in 1948 in the form of 500,000 additional common shares issued to holders of existing common stock on the basis of one share for each four held. Present outstanding capitalization consists of $26,965,656 funded debt, $11,315,000 4½% cumulative preferred stock, and $11,315,000 common stock. All of the outstanding common stock is held by the Bowater Paper Corp. Ltd., London, England, and associated companies.

Working capital at Sept. 30, 1948, amounted to $13,902,502 compared with $12,930,921 at the end of the previous fiscal year. Inventories were higher at $17,081,505 ($13,740,290). Bank loans increased from $3,464,327 to $7,296,044.

It was recently reported that the Corner Brook sulphite mill may be forced to shut down at the end of the current year as a result of virtual elimination of the United Kingdom market for Bowater's sulphite pulp output due to dollar difficulties, plus recent price decline of $25 a ton. No curtailment is expected in newsprint operations, but this market is again becoming competitive.

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MARATHON PAPER MILLS OF CANADA LIMITED
Marathon, Ontario

Photo by Photographic Survey Co. Ltd.

The Mill at Marathon, Ont.

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WOOD PULP

New York London Montreal

New Kraft Mills in New Brunswick, B. C. Put Canadian Capacity Over Million Tons

(Continued from page 4)

tain approximately eight million cords of pulpwood. The company also holds, under a 21-year renewable lease from the Ontario Government, 3,600 square miles of limits near its Ontario plant, estimated to contain about 16 million cords. The company has practically the exclusive use for logging purposes of the St. Francis River from the location of the company's mill to its headwaters. This facilitates logging operations and transporting of timber cut by the company or purchased from settlers. Through its subsidiary, McCrea-Wilson Lumber Co., timber limits in the state of New Hampshire and in Quebec are controlled.

Subsidiaries are as follows: McCrea-Wilson Lumber Co., which leases 400 square miles of timber limits in Maine, U.S., and Quebec; Dominion Lime Ltd., operating a lime quarry at Lime Ridge, Que.; Nipigon Corp. which owns 13,500 tons-per-annum groundwood pulp mill at Nipigon, Ont.; Brompton Distributing Ltd.; Angus Paper Products Ltd.; and Brompton Lands Ltd., incorporated in 1945 to develop the townsite at Red Rock, Ont.

Tonnage sold increased to a new high in 1948 for a total of 192,360 tons, compared with 183,581 tons in 1947. Net sales value in 1948 was $20,259,902 ($16,779,657). Production at the Red Rock mill was increased to 78,871 tons from 67,408 tons. The transfer of grinders from the East Angus mill to Red Rock resulted in the production of groundwood pulp for sale and also for use in the company's own manufacturing operations.

Capital expenditures at the Red Rock division amounted to $930,749 in 1948, of which $557,893 was spent on the mill. Total cost of development to Dec. 31, 1948, was $10,7[illegible]8,064, of which the mill accounted for $8,389,184. At the East Angus division an amount of $239,292 was spent in 1948 as part of the plan to modernize the mill so as to increase the quality and range of its product.

Net profit in 1949 amounted to $1,547,120 ($789,822), equal to $5.16 per common share ($2.63). During the first six months of 1949, net operating profit dropped sharply to $397,525 as compared with $899,081 for the like period in 1948. The company attributed the reduction to greatly slackened demand for groundwood and sulphate pulp and material decrease in selling prices. In addition, establishment of an employees' pension fund became imperative because of labor negotiations, and was a factor in the lower profit.

Working capital at the end of 1948 was $6,936,677, compared with $3,174,403 at the end of 1947. Inventories amounted to $7,972,365 against $5,302,755.

Present outstanding capitalization consists of $7,725,976 funded debt, and 300,000 common shares, no par value, of which 299,717 shares are held by the parent company, St. Lawrence Corp.

Wayagamack

The Wayagamack Division of Consolidated Paper Corp. is an important producer of kraft paper, besides contributing surplus kraft for sale. Products are sold under the name "Wayagamack Pure Kraft."

The division has five newsprint machines and six kraft machines at Cap de la Madeleine and Three Rivers, Que. Combined capacity is approximately 470 tons daily of newsprint, 156 tons kraft and 74 tons kraft pulp.

Individual operating statements on the Wayagamack Division are not submitted by Consolidated Paper Corp. Its operations are an integral part of the parent company's business and represent an important contribution to Consolidated's operations.

The Division's kraft wrapping papers are used for all wrapping purposes, tags, office folders, binders, envelopes, office forms, gumming, waxing and creping for various purposes. They are also used in the manufacture of bags for cement, rock products, flour, sugar, and bags employed in clothing, millinery and general merchandising; tissue papers, white and colored, for wrapping, creping, waxing and twisting. Pure kraft pulp is used by paper mills and cardboard mills in Canada and the United States.

Bloedel, Stewart & Welch

Bloedel, Stewart & Welch, Ltd. operates an unbleached sulphate pulp mill at Port Alberni, B.C. which went into production in the fall of 1947. It is the first mill in the province designed to utilize the waste products of sawmills. It is currently producing an average of 200 tons of pulp daily.

The tidewater location of the mill has enabled the company to ship its pulp economically to offshore markets, a full cargo of pulp having recently been shipped to Europe.

Long Lac P & P

Long Lac Pulp & Paper Co., a wholly-owned subsidiary of Kimberly-Clark Corp., Neenah, Wisc., operates a sulphate pulp mill at Terrace Bay, Ont., located on the north shore of Lake Superior. Actual construction of the mill was started early in 1947 and the first pulp was produced in November, 1948. This was the largest undertaking of the parent company in the past 20 years.

The mill, situated on the Aguasabon River, has a daily capacity of 300 tons of bleached sulphate pulp which is shipped to U. S. mills of Kimberly-Clark Corp. Sale of this pulp is expected to bring $15 millions U. S. funds into Canada annually, it is stated. The mill was built at the southern end of a water system down which logs are floated from timber limits centred at Long Lac, Ont., some 80 miles to the north, where the company's woodlands department offices are located. Prior to construction of the mill, pulp logs were rafted from the mouth of the Aguasabon River to Slate Islands, 10 miles out in Lake Superior and from there were taken on barges to Green Bay, Wis. to be distributed to various Kimberly-Clark mills. The mill at Terrace Bay was constructed to convert the pulp logs to pulp.

Power is supplied by the Ontario Hydro-Electric Commission which has recently completed the 55,000 hp Aguasabon Generating Station located three miles west of the townsite on the shore of Lake Superior.

Raw materials are obtained from timberlands formerly under lease to Pulpwood Supply Co. and from enlarged timber concessions all of which are now under lease to Long Lac and are expected to be a continuing source of supply.

In conjunction with the pulp and paper project, a completely modern town was erected at Terrace Bay. The townsite consists at present of 226 homes, a modern shopping centre, modern 7-room school and a 54-room hotel. In addition, temporary facilities are located in the Lower Camp and will be gradually transferred to the townsite, including post office, bank, hospital, firehall, church buildings, garage and service station and theatre. Extensive recreation facilities are also available.

Bathurst P & P

Bathurst Power & Paper Co., formerly operated a newsprint machine at Bathurst, N.B., with a daily capacity of 80 tons. Since Jan. 31, 1944, when it was changed on instructions from the Wartime Prices & Trade Board, this machine has produced kraft liner and corrugated board.

Improvements in 1946 in the kraft pulp mill and liner and corrugating board mills reduced basic costs and added to capacity. Approximate annual capacity of kraft liner and corrugating board is 78,000 tons. Mill production for 1948 was 122,812 tons, slightly over 1946 production. This included 79,707 tons kraft; 22,006 tons pulp; and 21,099 tons boxboard.

A substantial portion of kraft liner and corrugating board production is used by the company's two subsidiary shipping container plants.

Nanaimo Sulphate

Nanaimo Sulphate Pulp Ltd., a wholly owned subsidiary of H. R. MacMillan Export Co. Ltd., was formed in January, 1948, to construct a new 200-ton bleached sulphate pulp mill to use the parent company's wood byproducts. Work on the site, which is about four miles southeast of Nanaimo on Vancouver Island, began in July, 1948. Estimated cost is $16,750,000 of which $8,064,672 had been expended or committed at Sept. 30, 1948.

The original plan was to construct an unbleached sulphate pulp mill and later to add the bleaching unit, but in February, 1949, it was announced that the bleached sulphate plant would be added from the outset increasing the cost of the project from $13 millions to over $16 millions.

No public financing is expected in connection with the project. Private arrangements have been made for any finances required, it is stated.

Sorg Paper

Sorg Pulp Co., wholly owned subsidiary of Sorg Paper Co., Middletown, Ohio, manufactures unbleached kraft pulp at its plant at Port Mellon, B.C. It was recently reported that the plant had been shut down and future plans of the company are not known.

There is no public share interest in the Sorg Pulp Co., and operating statements are not published.

C. W. Timber

Canadian Western Timber Co., a subsidiary of Canadian Western Lumber Co. Ltd., plans to erect a pulp and newsprint mill at Duncan Bay, Vancouver Island, B.C., to make low-grade kraft, newsprint and fine-grade papers, as well as cellulose pulp for clothing. The project is to be a 300-ton-per-day dissolving pulp mill, to cost between $35 and $40 millions.

The B.C. government has granted a forest management license to the company for a block of timber on the east coast of Vancouver Island and some nearby islands in Johnston Strait. The company will put into the license 130,000 acres of its own crown granted holdings, of which 54,000 logged-over acres have already been contributed. To this will be added an unspecified government acreage, making about 250,000 acres in all.

No date has been set for construction start, but the contract with the B.C. government for a forest management license expires Dec. 31, 1952, if actual construction has not begun then.

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Maritime Mills Improve Equipment

In common with other pulp and paper companies across the country, Maritime producers have experienced a fairly general slowing up in demand and declining prices for many of their products as 1949 progressed. At the same time, most strengthened their competitive position by reinvesting a large proportion of the record earnings of 1948 and previous years in more efficient, modern plant and equipment.

Most generally affected by the recent decline have been producers who make pulp for sale, although some paper and board manufacturers have been reporting lower earnings as well. Pulp men say, however, that prices seem to have leveled out, that demand is picking up again and that a little of the lost ground may be regained.

Largest addition to present Maritime capacity this year will come into play toward the end of the year when Fraser Companies starts up its new mill at Newcastle, N.B., for the manufacture of unbleached sulphate pulp. Production from this mill will be bleached at the company's new bleaching plant at Edmundston, also under construction. The company will be able to increase not only its total output but also the variety of its products through use of this bleached sulphate in addition to its existing production of sulphite and groundwood.

Other companies which report changes in their output this year are St. George Pulp & Paper, which plans to produce bleached groundwood for sale, and Minas Basin Pulp & Power which has switched to production of paperboard instead of sheathing papers.

Bathurst P & P

Bathurst Power & Paper Co. operates a plant at Bathurst, N.B., manufacturing the following products for domestic and export markets: cylinder boards including patent coated bleached manila pulp and screenings and colored board; Fourdrinier board including kraft liner and kraft corrugating board; high-grade unbleached sulphite pulp. The production of newsprint was discontinued in 1944 and the plant converted to manufacture of kraft liner and corrugating board.

The company also owns and operates a hydro-electric plant and distributes electricity for power and lighting purposes to a subsidiary in and about Bathurst, N.B.

Corrugated shipping containers and similar products are manufactured by subsidiaries from kraft liner and corrugated board. The output of kraft products and boxboards is sold principally in the domestic markets and to the United Kingdom and Australasia. Unbleached sulphite is sold in the United States and some sold to the domestic market and the United Kingdom. Sales offices are maintained at Toronto, Montreal, and Bathurst, N.B., London, England, Sydney, Australia, and Auckland, N.Z.

Leasehold timber limits in New Brunswick and Quebec comprise approximately 2,700 sq. miles estimated to contain more than 14 million cords of pulpwood. Timber areas are located in New Brunswick on rivers tributary to Bathurst harbor, Baie de Chaleur, and in Quebec on the Bonaventure and Cascapedia rivers.

Consolidated sales in 1948 (eliminating inter company transactions) reached an all-time peak of $15,586,248 compared with $12,589,806 in 1947, the increase being represented by a substantial increase in volume of sales and by increases in the prices of various products sold. Net profit amounted to $1,685,486 ($1,301,476) equal to $3.26 per class A share and $1.26 per share class B, $2.71 and 71c). Improved earnings resulted from greater volume of production and increased efficiency from additional investments in plant and equipment. Increased selling prices were not sufficient to offset higher costs (wages, raw materials, etc.).

Capital expenditures for additions to property during the year amounted to $665,171. The new 10,000-hp. high-pressure by-product steam-turbo generator placed in operation in June is said to have appreciably reduced power cost.

Net profit for the first six months of 1949 was estimated at $873,703 ($900,433) equal to $2.18 per class A share compared with $2.25 in the comparable 1948 period. General market conditions have forced some curtailment in production, and the export selling price of unbleached sulphite pulp was reduced approximately 6% on April 1.

Mill production in 1948 was 122,812 tons (110,858 tons in 1947) including 79,707 tons (75,472) kraft, 22,006 tons (18,788) pulp, and 21,099 (16,598) tons box board. Production in 1947 was curtailed due to a failure of electric generators which restricted operation, but 1948 output was slightly above that of 1946 which totaled 122,359 tons.

N. B. Int. Paper

New Brunswick International Paper Co. operates a paper mill at Dalhousie, N.B., on Baie de Chaleur. The company is a wholly owned subsidiary of Canadian International Paper Co., which in turn is controlled by International Paper Co. of New York City.

The mill, constructed in 1930, is equipped with four paper machines, aggregate daily capacity approximately 645 tons of newsprint (199,950 tons annually on a 310-day basis). It also has a wrapper machine, daily capacity about 24 tons. The mill is fully equipped to produce all its own regular pulp requirements. Steam and electric power are purchased from Gatineau Power Co. The purchased power is sometimes supplemented by using purchased steam to generate electricity with its own turbine.

Timber limits total 1,549,929 acres. In addition to other holdings full ownership on 122 acres in the county of Matapedia and cutting rights on 714 acres in townships of Casault and Blais were granted by the Quebec Government in 1945.

Individual financial or operating statements of New Brunswick International and Canadian International Paper are not submitted for publication but are incorporated in consolidated statements of International Paper Co.

Mersey Paper

Mersey Paper Co. Ltd. owns and operates at Brooklyn on Liverpool Harbor, N.S., a newsprint mill with necessary groundwood and sulphite equipment and complete unit for annual production of 120,000 tons of newsprint. Location of the plant on ice-free tidewater at Brooklyn permits deep water as well as rail shipments all year.

Property consists of a groundwood mill equipped with direct connected motor driven magazine grinders, a three digester power system, sulphite mill, and a paper mill containing two high-speed paper machines, each of 234-in. width, having a combined capacity of about 365 tons daily of finished newsprint. The plant is so designed that it may be economically extended by installation of two additional machines with 250 tons daily capacity.

Nova Scotia Power Commission hydro-electric development on the Mersey River, 15 miles up river from mill site, installed capacity 38,000 hp., provides adequate power.

The products are marketed in the Maritimes, Great Britain, Australia, New Zealand, West Indies, United States and other countries. Operations have been maintained at or above rated capacity since the beginning of 1931.

The company owns over 900 sq. miles of freehold timber lands, estimated to contain approximately 2,400,000 cords of pulpwood. Additional freehold timber lands costing $2,500,000 were acquired in 1948. Renewable timber licenses on crown lands held under contract from the Province of Nova Scotia are estimated to contain one million cords of pulpwood. The major part of this agreement is still to be implemented by the province. The company is also in a position to purchase pulpwood from local farmers and jobbers. These three sources are estimated to provide an adequate supply of pulpwood at reasonable cost for an indefinite period.

Practically the entire output is sold to customers of long standing under long-term contract.

Subsidiaries are as follows: Markland Shipping Co. ships paper from the company's plant to New York and other ports; Liverpool Loyalist Shipping Co. ships paper to New Zealand; Rover Shipping Co. ships pulpwood and paper; and Brooklyn Shareholdings Ltd.

Production, sales and selling prices during 1948 were highest in company's history. Consolidated net profits jumped to $2,363,923 from $1,557,095 in 1947. Per share earnings amounted to $65.27 on the 4½% preferred and $11.10 on the common against $42.99 and $7.03 respectively in 1947.

An amount of $1,200,000 3½% first mortgage bonds was sold in April, 1948, the proceeds of which were used to purchase additional freehold timber land. Present outstanding capitalization consists of the foregoing issue plus $800,000 4½% first mortgage serial bonds; $3,621,900 4½% cumulative, redeemable preferred, $100 par; and 198,292 shares common stock, no par value.

Dividends have been paid regularly on the new 4½% preferred since April 1, 1948, and an initial common dividend of 50c per share was paid Jan. 15, 1949, with a further dividend of 50c on July 2, 1949.

Working capital amounted to $3,645,714 at December 31, 1948, compared with $3,059,198 at the end of 1947. Inventories at $3,399,310 showed little change.

WHITE 3020 tilt-cab delivery unit, one of the latest additions to the Dow fleet in Montreal, on display at the 1949 Canadian National Exhibition. All-steel Parish body built at the White factory in Montreal.

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"It's a *dream* of a truck : : : every way you look at it!"

That's the report . : : everywhere! And it's easy to see why the exciting, new White 3000 is the talk of the industry : : : from coast to coast!

OPERATORS LIKE IT because the functional design pays off in dollars and cents. Saves time "getting there", loading and unloading. Cuts maintenance time and cost in half. Adds to payload on every trip through new weight distribution principle that shifts extra chassis weight to heavier-capacity front axle.

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It's the same story, everywhere you go! Your local White Representative will be glad to show you how the White 3000 time- and cost-saving advantages can be applied to your business.

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How FAO Sees World Pulp Picture

(Continued from page 39)

tion may be roughly 50% higher than in 1937; but Europe's requirements for the same period may only be expected to increase by 14% and Asia's requirements may still be down by 40%.

Raw Materials: The Conference was unanimous that no pulp factory should be built without being assured of a continuous supply of raw materials based on sustained forest yield.

There are exceptions to this rule: transport cost of wet pulp is so high that it is cheaper to import pulpwood; it also might be necessary to maintain in existence for social, political and humanitarian reasons, established pulp mills which have to rely on pulpwood imported from considerable distances.

RECOMMENDATIONS

Application of high yield pulping methods and the possibilities of large scale use of straw and other substitute materials, be studied further in consultation with FAO's Committee on Wood Chemistry.

Establishment, possibly with the assistance of competent international organizations, of demonstration plants for the industrial application of new pulping methods.

Exchange of information through FAO regarding results of studies undertaken in different countries.

FAO's pulp statistics be primarily designed to provide an authoritative and homogeneous set of statistics on the production, consumption, stocks and international trade of wood pulp and pulpwood, and thus to fill existing gaps of information.

FAO undertake special efforts towards the standardization of national pulp and pulpwood statistics in order to improve their international comparability.

WORLD PULP SITUATION BY GRADES
(1,000 Metric Tons)

Sulphate Pulp

	1948				1955	
Region	Cons.	Prod.	±	Requirements	Prod.	±
Europe	1,120	1,600	+480	2,370	1,970	—400
N'th. America	6,440	6,200	—240	8,930	9,285	+355
Latin America	115	45	— 70	180	45	—135
Africa	...	...	...	5	...	— 5
Asia	15	25	+ 10	80	40	— 40
Oceania	75	40	— 35	165	175	+ 10
World Total .	7,765	7,910	+145	11,730	11,515	—215

Mechanical Pulp

	1948				1955	
	Cons.	Prod.	±	Requirements	Prod.	±
Europe	2,700	2,650	+ 50	4,335	3,850	—485
Near East ...	5	5	...	10	10	...
North Am. ..	6,295	6,240	— 55	6,370	6,385	+ 15
Latin Amer.	120	115	— 5	235	205	— 30
Asia	275	280	+ 5	360	400	+ 40
Oceania	45	45	...	140	125	— 15
World Total .	9,490	9,335	—105	11,450	10,975	—475

Sulphite Pulp

	1948				1955	
	Cons.	Prod.	±	Requirements	Prod.	±
Europe	2,370	3,055	+685	4,500	4,680	+180
Near East ..	...	...	...	20	20	...
North Amer.	4,980	4,590	—390	5,180	4,995	—185
Latin Amer.	215	30	—175	270	115	—155
Africa	...	...	...	35	30	— 5
Asia	200	195	— 5	460	380	— 80
Oceania	15	...	— 15	85	...	— 85
World Total	7,780	7,870	+100	10,550	10,200	—300

PRELIMINARY WORLD PULP BALANCE
(1,000 metric tons)

Region	Consumption	Production 1948	Requirements	Production 1955
Europe	6,700	7,900	11,430	10,900
USSR (For Exp.)	...	40	...	200
Nr. East	15	10	25	30
Nor. Am.	19,255	19,045	23,705	23,475
Lat. Am.	470	190	700	440
Africa	15	15	35	30
Asia	520	505	925	865
Oceania	165	120	410	320
World Total	27,145	27,780	37,230	36,260

Newsprint Output Sets New Records

(Continued from page 38)

period of 1948. Consolidated working capital amounted to $18,094,189 at Dec. 31, 1948, compared with $13,534,641 at April 30, 1948. Inventories amounted to $17,896,870 compared with $15,588,317. Bank loans of $150,000 outstanding at the end of 1948 compared with an amount of $3,404,198 outstanding at the end of April.

St. Lawrence Paper

St. Lawrence Paper Mills Co. Ltd. operates a newsprint mill at Three Rivers, Que., with annual capacity of 189,800 tons newsprint, 600,000 tons surplus sulphite, and 6,500 tons surplus groundwood capacity.

Timber limits consist of 400 sq. miles located at Trinity Bay, Que., 329 sq. miles at River du Loup near St. Alexis, Que., and 873 sq. miles on watershed of Mistassini River, Que.

Subsidiaries include Lake St. John Power & Paper Co. Ltd., St. Lawrence Sales Co. Ltd., and Tourville Lumber Mills Ltd.

During 1948 the plant at Three Rivers operated at 100.3% of rated capacity producing an all-time record of 190,302 tons newsprint, 3,047 over the previous record year of 1947. Net sales in 1948 amounted to $17,125,777 ($15,475,256).

Net profit from the company's own operations amounted to $2,070,444 exclusive of $903,301 dividends received from Lake St. John Power & Paper Co. Per share earnings amounted to $23.81 on the first preferred, $19 57 on the second preferred, and $1.85 on the common ($15.36, $9.36, and 84c respectively in 1947). As a result of the capital reorganization, arrears of dividends on the old preferred stock were eliminated during 1948. The new capital structure is as follows: 124,875 shares first cumulative redeemable preferred stock, $99 par (annual dividend, $6 per share); 92,624 shares second cumulative redeemable preferred stock, $1 par (annual dividend, $2.40 per share), outstanding at July 29, 1949. Common stock consists of 1 million authorized no par value shares with 514,675 shares issued. The parent company, St. Lawrence Corp., controls 513,168 shares of the common stock. Regular dividends are being paid on the first and second preferred shares and a dividend of $1 per share was paid on the common stock on July 1, 1948, and 75c on Dec. 20, 1948. On April 25, 1949, 50c per share was paid.

Working capital at Dec. 31, 1948, amounted to $5,571,101 compared with $4,525,119 at the end of 1947. Inventories were substantially the same at $4,749,377 compared with $4,740,361. For the first six months of 1949 net operating profit amounted to $1,173,829 compared with $951,679 for the like period of 1948.

Spruce Falls

Spruce Falls Power & Paper Co. operates a newsprint mill at Kapuskasing Ont. Kimberly-Clark Corp., Neenah, Wisc., owns 50.12% of the outstanding common stock and the New York Times, which purchases the largest proportion of its newsprint requirements from Spruce Falls, owns a minority common share interest. Bulk of remaining newsprint production is sold to the publishers of the Washington Star and the Philadelphia Enquirer, and the balance is sold under contract to more than a dozen newspaper publishers in the United States.

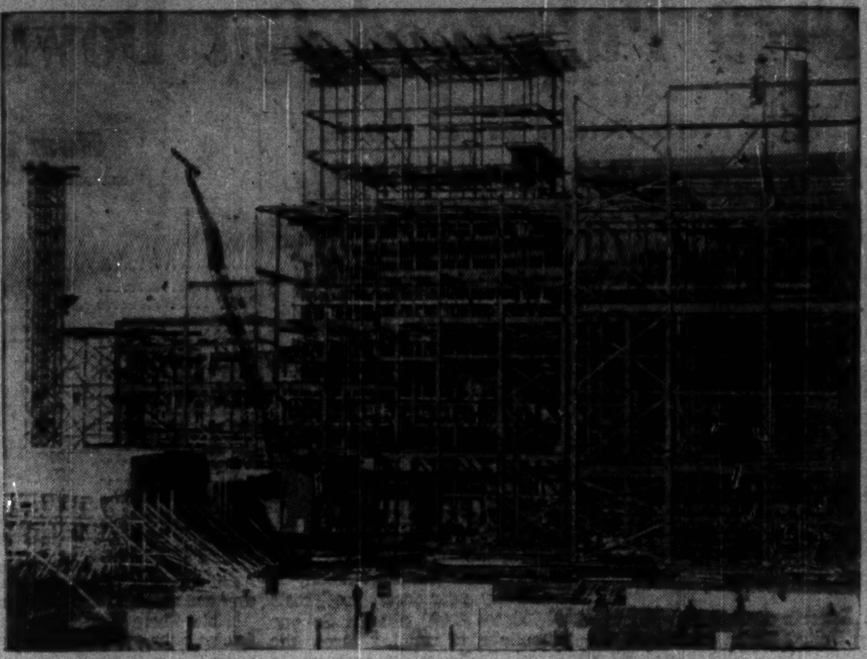
The Spruce Falls plant comprises a newsprint mill containing four paper machines; a mechanical pulp mill with a capacity adequate for the paper mill's requirements; and a chemical pulp mill whose capacity is sufficient to take care of the requirements of its newsprint mill and, in addition, to furnish the pulp requirements of Kimberly-Clark Corp. of Canada. The plant is also able to supply the parent corporation with the current sulphite pulp requirements of its United States mills over and above its own productive capacity. The plant has a total annual capacity of 205,000 tons of newsprint paper, 110,000 tons of sulphite pulp and 167,000 tons of groundwood pulp.

The plant includes a steam power house adequate for its requirements and those of Kimberly-Clark Corp. of Canada, and, in addition, the company has two hydro-electric power plants in which power is transmitted to the mill over its own transmission lines. Water power rights are held under long-term leases from the Province of Ontario. Developed hydro-electric power aggregates 75,000 h.p. supplemented by a standby steam turbine plant of 10,000 kw. capacity.

Cutting rights are held on extensive pulpwood limits on Crown timber lands under long-term leases which, in the opinion of the management, are adequate for its present and future requirements. The Woodlands Division of the company operates a nursery north of Moonbeam where white and black spruce seedlings are grown for planting in some cut-over areas of the company's limit to fill in fail places in the natural regeneration.

The properties of Spruce Falls Power & Paper include a modern hospital, hotel, clubhouse and recreational buildings, and a large number of homes for employees. Buildings and equipment at the plant have been adequately maintained since the plant was constructed.

Sales for 1948 totaled $26,076,391 compared with $21,848,254 in 1947. There are extensive inter-company dealings with Kimberly-Clark Corp. Net profit in 1948 was $4,637,255. Current assets totaled $15,353,039, current liabilities $4,271,707 at Dec. 31, 1948. Funded debt was $4,169,000.



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Completed on schedule by the men of Canadian Bridge, the huge new sulphate mill at Terrace Bay, one of the most modern in the world, with a capacity of 300 tons daily, is further striking evidence that experience is all-important in steel construction. Because of their wide previous knowledge of all phases of steel construction, they have produced a structure for the ages—another milestone in Canada's industrial progress.

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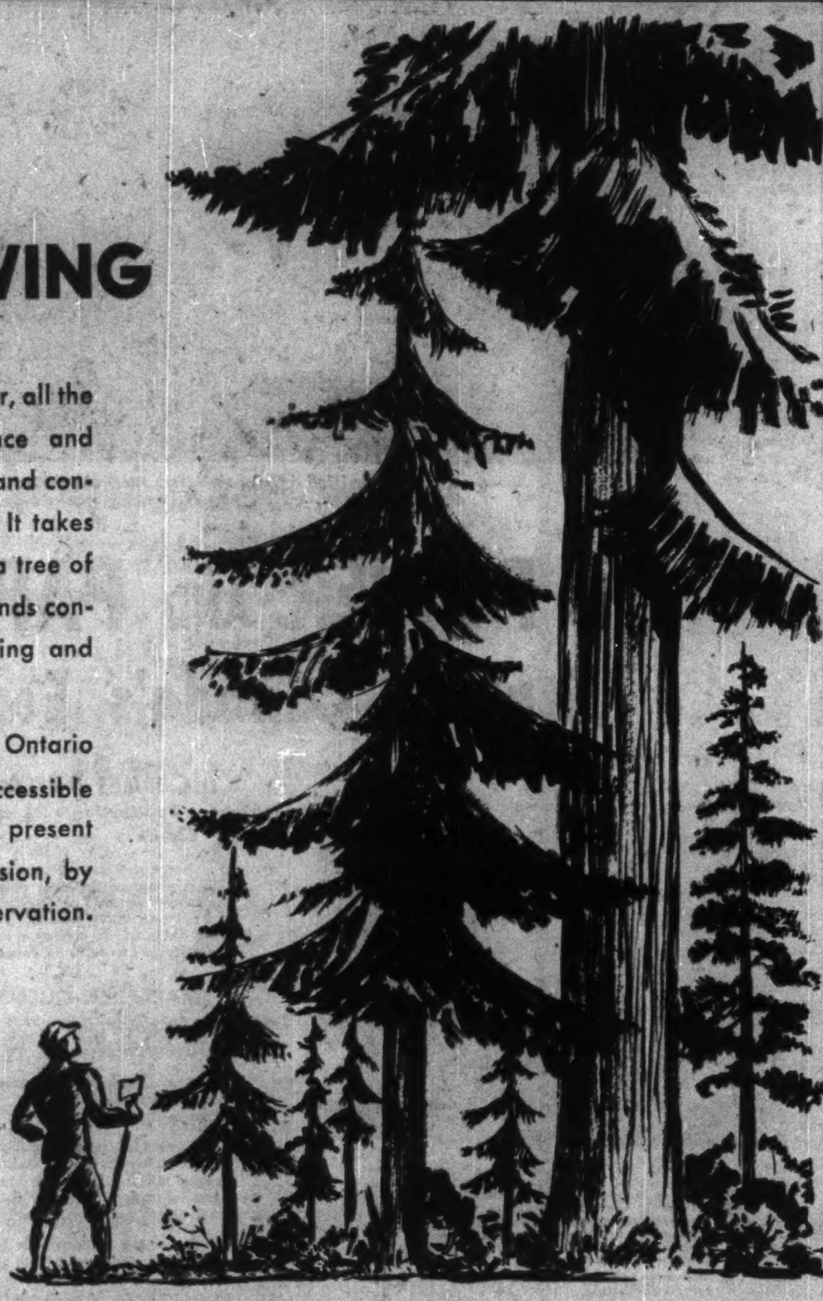


Growing
Growing
GROWING

YES, every day and every year, all the know-how of modern science and research is used to replenish and conserve Ontario's forest areas. It takes from 40 to 50 years to grow a tree of commercial value. This demands constant care in protection, cutting and replacement.

The pulp and paper industry in Ontario can only be assured of accessible sources of raw materials for present operations and future expansion, by co-operating in forestry conservation.

It is an obligation of all to protect and preserve our forests.

"Chaperone your cigarette — Don't let it go out alone!"

HELP PREVENT FOREST FIRES

Ontario Department of Lands and Forests
ONTARIO

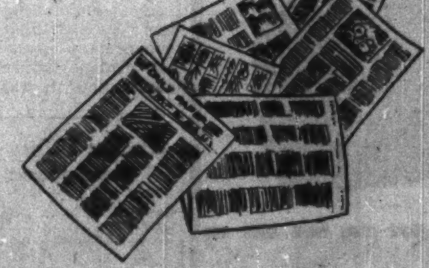
H. R. SCOTT, *Minister* F. A. MacDOUGALL, *Deputy Minister*

DICK TRACY . . . *in the rough !*

The Newspaper of your choice, complete with your favorite comic strip character, quite possibly had its origin in the vast forests of Newfoundland. Borne on a mighty procession of tumbling logs, Dick Tracy hobnobs with Blondie and Dagwood; Dorothy Dix shares the honors with Emily Post, while the never-ending tide of world events shout from the headlines.

In many countries, great daily newspapers get their newsprint from the mills of The Anglo-Newfoundland Development Company Ltd., right in the heart of Canada's tenth province. Well over 700 tons of newsprint and 80 tons of sulphite are produced every day, with a stream of ships carrying the finished product to the far corners of the earth.

In the days to come, it will be the constant endeavour of this company to maintain the production and distribution, from its mills at Grand Falls, of the finest quality newsprint for the markets of the world. This is our contribution to the prosperity of Newfoundland.



THE ANGLO-NEWFOUNDLAND
DEVELOPMENT COMPANY LIMITED

GRAND FALLS BISHOPS FALLS BOTWOOD
BADGER MILLERTOWN TERRA NOVA

1949 Pulpwood Cut Down After High Output in 1948

Need National Forest Policy To Guard Reserves for Mills

Canadian production of pulpwood in 1948 hit a high point of 12.4 million cords which was just about one million cords more than the previous year. Pulpwood cut in 1949 is likely to be down substantially from last year's figure, may not total more than 10 million cords, it is stated.

Of total pulpwood production last year, 10.3 million cords were used in Canada and 2.2 million cords or 17.6% were exported. Dollar value of pulpwood exports last year was $43.6 millions, compared with $34.5 millions in 1947. Dollar value of exports in 1949 is running slightly less than last year.

Exports of Canadian pulpwood to United States during the first six months of 1949 totaled 865,000 cords. The Canadian preliminary quota for 1949 export to United States called for 1,350,000 cords which will likely be supplemented if required. Canada also has authorized an exquota export of approximately 100,000 cords of fire-killed wood originating in the Western provinces.

The 1949 spring logging drive in Canada was some 17% less from the standpoint of men engaged in the work. This reflects chiefly the return to normal mill inventories from the dangerously low levels existing immediately after the war.

Where it Comes From

Quebec province accounts for more than 50% of the total pulpwood production in Canada. Ontario produces about one quarter with the Maritimes and British Columbia accounting for the balance. Following is a table showing pulpwood production in 1947, the latest detailed figures available from DBS. Figures for 1948 will be proportionately higher to account for the increase of one million cords in the total.

	Cords
Canada	11,484,522
Quebec	5,946,963
Ontario	3,132,618
British Columbia ..	787,615
Other provinces	1,617,326

To keep pace with today's high level of pulp and paper production, companies are forced to go farther afield for pulpwood as the yearly cuts increase. This, of course, increases pulpwood costs. At the same time, woods managers must contend with fire, insects and disease.

Most pulp and paper companies are paying closer attention to the problem of forest management. Forest management is a costly operation and is a task which is never completed.

In a pulpwood operation a woods manager sets out to operate his timber holding on a perpetual yield basis. This means that he must provide for fire protection — fire towers and telephone lines, a fire-fighting organization must be trained. In addition he must train or hire men to watch incidence of insects and disease in the trees.

High Cost of Roads

Protection involves both information and transportation. This means road building. Today a relatively poor forest road costs $3,000 to $6,000 a mile. So one 40-mile road running across the forest limits might cost up to $200,000. That, however, would only provide for one road on 1,600 square miles. Adequate protection by roadways might cost $3 millions.

In proper forest management a woods manager determines which wood must be cut first. This may involve cutting wood in the more remote parts of the timber holding. Wood to be cut should come from the stands where the trees are mature and in those areas where insects or disease are making inroads.

But while forest protection and conservation are of first importance, there is still the task of getting the pulpwood to the mill on schedule; and in most cases the schedule is determined by conditions of weather and terrain. Thus pulp and paper companies work their pulpwood holdings on managed sustained-yield basis. Large pulpwood forests are no longer available and mills must do the best with what they have.

Looking to the Future

By and large, pulp and paper mills have timber resources sufficient to feed their mills in perpetuity provided they are properly cut and managed. They have a growth on their limits adequate for their future needs. Actually, however, there are no accurate figures available on forest depletion and regrowth, thus there is probably no one in Canada who can state whether or not the forests are being used up faster than they are growing.

In an article in The Financial Post (July 2) John D. Gilmour, Canadian consulting forest engineer, stated that at the end of 1945 it was estimated that there were some 1 2/3 billion cords of accessible pulpwood. Consumption including fire loss had been averaging about 20.3 million cords. On this basis pulpwood supplies were sufficient for 80 years operating.

It was pointed out, however, that heavy losses are sustained through the ravages of insects. Between 1909 and 1946 Canada lost 250 million cords of pulpwood to the spruce budworm — equivalent to about 12 years' production. The spruce saw-fly destroyed vast quantities on the Gaspe Peninsula between 1930 and 1942.

But even without accurate forest figures, pulp and paper companies know that their most important investment is that represented by timber holdings. A fundamental consideration is that the pulp and paper mills are permanent. This means that the woodlands must supply a permanent supply of raw material and the wood must be within economic reach of the mill.

Cut on Seasonal Basis

In Eastern Canada, pulpwood operations are still generally carried out on a seasonal basis and require 18 to 20 months to complete the cycle from stump to mill. An inventory of forest resources in the area held by the company is provided by forest engineers and forest cruisers. On this data a working plan is made.

Regulations in the various provinces provide that all areas must be operated on a working plan. Annual cuts are based on the growing capacity of the forest area. As a result each mill must have sufficient area to grow its yearly requirements, except for those quantities of pulpwood which are purchased.

Before work begins on any stand, cutting strips are marked out in advance. When the cutters move to a camp they are each allotted a strip. Fellers may thus find themselves working as close as 60 yards apart. The distance naturally depends on the type of stand being cut. Only rarely do men work in teams.

The cutting strips are usually marked by blazes, generally along the centre line of the strip. Along the middle of each strip, the cutter "swamps" or clears a branch road. In rough areas these naturally conform to the contours of the ground.

The cutter starts from the main roads cut through the area. He swamps out his road for a few yards and then starts to cut; his cut usually being about halfway to the similar trails of either side of his own. The cutter may saw his logs into four-foot, 12- or 16- foot lengths. Close to half the wood cut is sawn into four-foot lengths. The length of the wood depends on a variety of factors. These include the size of the stream on which it will move to the mill, the distance the wood must move, the type of the stand, and other considerations.

Mechanized Operations

Many companies are now mechanizing their pulpwood operations. Some cutters are using mechanical motor-driven saws. Buses and snowmobiles are used to transport men to and from the camp. Skidding and hauling equipment has been developed and is being used more extensively in Eastern Canada. In British Columbia, pulpwood operations have achieved a greater degree of mechanization than in the East due to the big trees which have to be handled; climate and weather have also enabled West Coast operators to use machinery to a greater extent.

In the spring, the pulpwood moves down to the mill by stream or river. It is estimated that 80% of all pulpwood cut in Canada moves on streams for at least part of the distance to the mills. The balance is generally shipped by rail, truck or boat.

Canada's pulpwood stands provide the foundation for the $800 millions gross production of the pulp and paper industry. As such they are of vital importance not only to the industry but to governments and each citizen.

Because the pulp and paper industry is the greatest single producer and the largest individual exporter in the land, the federal government has a direct interest in the forests. This interest, however, cuts across provincial jurisdiction because the forests are owned by the provinces. Thus the future welfare of the forests is interwoven with the constitutional problem, a problem which has many complexities.

National Forest Policy

Pulp and paper men say that a national forest policy is necessary and that its needs are few and relatively simple.

First, they say, Canada should have complete air surveys and maps of the forests. Today their extent is not even completely known and there is no comprehensive and proper estimate of forest increment in Canada.

Secondly, Canada needs to check the insects and diseases which periodically reach epidemic proportions. Also greater effort is required to prevent the ravages of fire. Lightning is constantly causing fires in Crown land forests and forest operators are constantly threatened by fires in unoccupied forest areas adjacent to their limits.

Finally, industry men say that Canada should increase the extent of its research work on the forests and on forest products.

Both federal and provincial authorities have through research contributed to the development of agriculture, minerals, and fisheries, but the forests receive less attention. Pulp and paper men say that the forests require at least as much interest and attention as are given to other valuable national resources.

How Pulp and Paper Prices Have Varied in 11 Years ‡

Year	NEWSPRINT	GROUNDWOOD PULP			SULPHITE PULP				SULPHATE PULP			
					Bleached		Unbleached		Bleached		Unbleached	
	(N. Y.) $	No. 1 Canadian $	Scandinavian (dry) $	Soda Pulp $	Dom. No. 1 Book $	Foreign Prime $	Dom. No. 1 Book $	Foreign Extra Strong $	Dom. Northern $	Foreign Prime $	Dom. No. 1 $	Swedish $
1939	50	21-32	21½-42	†51	†50-54	45-60	†40-45	34-50		50-70	35-45	28-43
1940	50	31-35	40-50	†58-66	†60-72½	60-85	†50-67½	52-75	65-85	70-95	45-70	45-75
1941	50	31-33		†66	†72½	80-90	†63½	70-75	85-90	90-100	70-75	75-80
1942*	50	45-46		66	72½-76		63½-66		86		73	
1943*	50-58	46		66	76		66		86		73	
1944*	58	46-50		66-72	76-86		66-74		86		73	
1945*	58-61	50		76	86	86	74	74	86	86	73	73
1946*	67-84	50-64		76-93½	86-107½	86-107½	74-94	82-94	97-107½	94-107½	73-89	73-89
1946 (Dec.)	84	§70-80		105-110	105-115	115-165	85-95	95-133	100-110	110-120	90-95	90-95
1947	84-90	§75-85	107½-110	110-125	115-125	120-185	105-115	120-165	110-135	125-185	95-125	89-145
1948	96-100	§80-85		130-135	126-135	165-195	125-130	140-165	155-185	165-190	120-135	127½-147½
1949 to July	100	§60-80		113-130	118-126	118-130	100-130	100-140	122-147½	125-165	94-125	94-127½
Jan. 1, 1949	100	80		130	126	140-165	118-125	140-143	136-145	140-165	115-125	127½
3rd Quarter 1949..	100	65		113	118	118	100	100	118-126	125-128	82½-105	94

‡Where two prices shown, they represent high and low for the period. Prices are in dollars per air dry ton (2,000 lbs.).

†Quoted "ex-dock Atlantic seaboard."

§Quoted "delivered."

*From April 20, 1942, through Nov. 10, 1946, maximum prices for woodpulp and newsprint in the U. S. were fixed by the Office of Price Administration. Prices for European pulp were the same as the OPA maximum prices for domestic and Canadian pulp, plus freight charges over and above a fixed transportation allowance.

Note: There were no quotations for European pulp after September, 1941. Resumption of imports from Europe began in July, 1945. Prices for foreign pulp are quoted "ex-dock New York" or "ex-dock Atlantic seaboard" (except under OPA) until April, 1949, when quoted "full freight allowed."

Unless otherwise specified, domestic and Canadian prices are quoted "f.o.b. pulp mill" (with varying maximum freight allowances since December, 1946), except during OPA control when quoted "delivered," plus freight charges over and above specified maximum freight allowances. Quoted "full freight allowed" in most cases after July 1, 1949.

Source: United States Pulp Producers Association.

Canada Bread Co. Sales Holding Up

General sales of Canada Bread Co. in the first two months of the current fiscal year are being maintained and prospects for the ensuing months are regarded as favorable, President A. V. Loftus told the annual meeting. Net earnings for the year ended June 30, 1949, represented a profit of only 1.5% of sales, indicating that a higher price for the company's products is required, it was said.

The lower margin of profit was brought about partly through Government removal of the special subsidy on wheat milled for domestic consumption, which resulted in an increase of $2.10 per barrel in price of flour. The added cost per loaf has exceeded the extra cent added to the selling price of bread, but steps have been taken to offset this higher cost by more efficient methods in both manufacturing and distribution. Such changes are likely to enhance the company's earnings, provided no unforeseen developments occur, it was said.

Public Utility Earnings

MEXICAN LIGHT & POWER

May:	1949	1948
Gross earns.	$1,562,116	$1,857,625
Oper. exps.	1,480,860	1,758,813
Int. & s.f. charge	181,000	185,000
	*99,744	*86,188

*Deficit.

Five Months:		
Gross earns.	8,507,791	9,212,184
Oper. exps.	7,593,588	8,436,384
Int. & s.f. charge	965,000	925,000
	9,203	*149,200

*Deficit.

Above figures subject to final adjustment when annual accounts are made up.

HIGH PRESSURE
and SUPER-HEATED
STEAM INSULATION

For over a Quarter Century AL Installations have been at the service of the Pulp and Paper Industry.

Fine workmanship and technical experience have proved themselves by continually expanding business from Canada's largest mills.

AL INSULATIONS

ASBESTOS LIMITED

Office and Plant

1192 Beaudry St. Montreal

Greening

PRODUCTS INCLUDE . . .

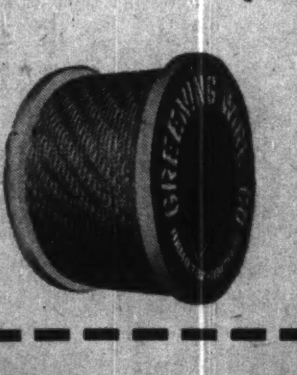
PERFORATED SCREEN PLATES
COPPER — BRASS — BRONZE — MONEL
STAINLESS STEEL
—Special plates supplied cut or rolled to Template or Blueprint—

WIRE CLOTH & SCREENS
ALL MESHES — ALL METALS

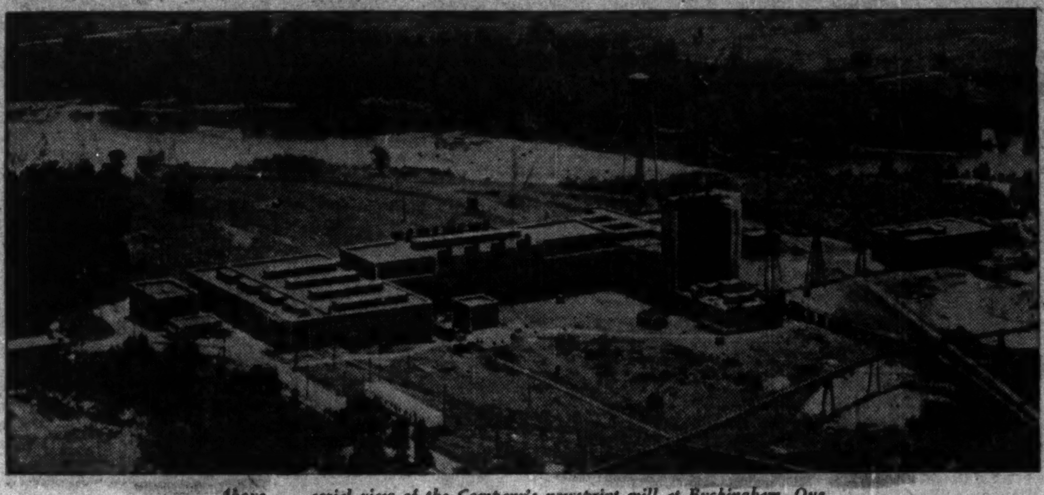
GALVANIZED WIRE PULP MATS

FILTER WINDING WIRE
MONEL — BRONZE — STAINLESS STEEL

WIRE ROPES
LOGGING LINES OF ALL TYPES
SAW MILL CARRIAGE ROPES
ALLIGATOR ROPES
CONVEYOR CABLES
TOWING HAWSERS



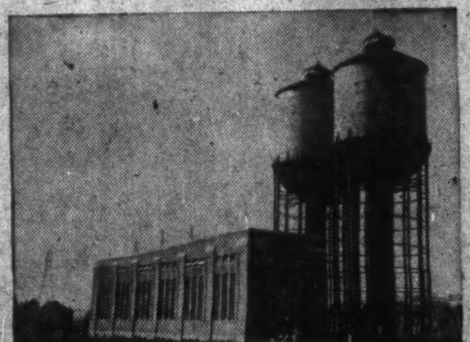
THE B. GREENING WIRE COMPANY LIMITED
MONTREAL HAMILTON-CANADA WINNIPEG



Above . . . aerial view of the Company's newsprint mill at Buckingham, Que.

Above . . . view of the High Falls on the Lievre River about 30 miles north of Buckingham, Que., and the power generating station thereat.

POWER AND PAPER
Vital to Canada's Economy



View of the Masson generating station, three miles south of Buckingham, Que., with two surge tanks at the rear. The installation here is unique —water is conveyed through a tunnel 28 ft. in diameter, about 6,000 feet in length, from a dam impounding the Lievre River to the power house. The tunnel is 200 ft. underground, and blasted through solid rock.

The surge tanks, when built, were said to be the largest in Canada.

THE JAMES MACLAREN COMPANY LIMITED
Newsprint Production - - - - - 350 tons daily capacity
Timber Limits - - - - - - - - 2,400 square miles

Newsprint is in great demand throughout the entire world. The modern and efficient newsprint mill of The James Maclaren Company Limited, at Buckingham Jct., P.Q., which is geared for full and thrifty production, is running at full capacity of 350 tons daily, in its endeavor to do its share of producing newsprint for this world-wide demand.

MACLAREN-QUEBEC POWER COMPANY
Installed Capacity - - - - - - - - 270,000 H.P.
Storage Reservoirs - - - - - - - - 40,000,000,000 c.f.

The constantly increasing use of Canada's supply of electrical power has increased production in industry, and made possible a higher standard of living.

Since 1939, its demand has increased 100%. In 1948, 44,568.8 million kilowatt hours were generated by Canada's central station industry, of which the Province of Quebec produced almost two-thirds. Firm, or Primary power increased 8.6% over 1947 giving an indication of business conditions.

Increasing requirements for power for large scale vital industrial production for war purposes in the war period found Maclaren-Quebec Power Company ready to meet the demands made upon it. Now, in peace time, this power is an important factor in meeting today's needs.

Back of these great enterprises stands the name MACLAREN, which has been synonymous with integrity and quality in the Ottawa Valley for over 80 years.

MACLAREN POWER & PAPER COMPANY
THE JAMES MACLAREN CO. LIMITED • MACLAREN-QUEBEC POWER COMPANY
BUCKINGHAM, QUE.